

COMMITTEE WORKSHOP
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)	
)	
Preparation of the 2007)	Docket No.
Integrated Energy Policy)	06-IEP-1F
Report (2007 IEPR))	
_____)	

CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

MONDAY, MARCH 5, 2007

9:30 A.M.

Reported by:
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Contract No. 150-04-002

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COMMISSIONERS PRESENT

Jackalyne Pfannenstiel, Presiding Member

Jeffrey Byron, Associate Member

John Geesman, Associate Member

ADVISORS PRESENT

Kevin Kennedy

Suzanne Korosec

Timothy Tutt

STAFF and CONTRACTORS PRESENT

Jim Bartridge

Barbara Boice

Chris Tooker

Lorraine White

ALSO PRESENT

Terry Roberts
Governor's Office of Planning and Research

Chloe Lukins
Public Utilities Commission

Bob Hawkins
US Forest Service

Troy Burdick
Bureau of Indian Affairs (BIA)

Jurg Heuberger
Imperial County

Les Guliassi
Pacific Gas & Electric Company (PG&E)

ALSO PRESENT

Tom Acusa
San Diego Gas & Electric (SDG&E)

John Leeper
Southern California Edison Company (SCE)

C. Anthony Braun
Braun & Blaising, Counsel to the California
Municipal Utilities Association (CMUA)

Frank Cady
Lassen Municipal Utility District (LMUD)

Ed Chang
Flynn Resource Consultants, representing BAMx

Jim Metropulos (via telephone)
Sierra Club

Juan Sandoval
Imperial Irrigation District (IID)

Gary Munsterman
United States Air Force (USAF)

Patrick Christman
United States Marine Corps (USMC)

Jane Turnbull
League of Women Voters

Karen Mills
California Farm Bureau

Gene Frick (via telephone)

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P R O C E E D I N G S

9:34 a.m.

PRESIDING MEMBER PFANNENSTIEL: Good morning, why don't we begin. This is an Energy Commission Joint Committee Workshop on Senate Bill 1059 Implementation. I am Jackie Pfannenstiel, I am the Presiding Member of the Commission's Integrated Energy Policy Report Committee.

And to my right is Commissioner John Geesman, who is the Second Member on that Committee and also the Presiding Member of the Commission's Siting Committee. This is a joint workshop between the IEPR and the Siting Committee. To Commissioner Geesman's right is his staff advisor, Suzanne Korosec.

To my immediate left will be my advisor Tim Tutt. Then to Tim's left will be Kevin Kennedy, who is the advisor to Commissioner Byron, who is also on the Siting Committee who will be joining us shortly.

This is an opportunity, our first workshop to address the provisions of Senate Bill 1059, which gives the Energy Commission the responsibility of designating transmission corridors for future use. We have spent some

1 time, staff has spent some time getting
2 information and talking with parties about the
3 implementation. And we are bringing this into
4 this year's IEPR process.

5 With that why don't I turn it to
6 Lorraine for introductory comments.

7 MS. WHITE: Thank you, Commissioners.
8 As part of the 2007 Integrated Energy Policy
9 Report we will be developing a companion piece
10 called the Strategic Transmission Investment Plan.
11 And one of the topics to be covered in that is the
12 SB 1059 implementation. And if you don't mind
13 I'll just go ahead and dim the lights here for
14 those joining us today.

15 Just a few logistical items to go over
16 as part of our workshop. There is a call-in
17 number, 888-458-9977. The passcode is
18 transmission and the call leader is Jim Bartridge.

19 All of the presentation materials that
20 will be made today and used today can be found on
21 the Energy Commission's website. As you follow
22 along the webcast you can also take advantage of
23 those, printing out the hard copies of the
24 presentations.

25 UNIDENTIFIED SPEAKER (VIA TELEPHONE):

1 One item which needs to be considered after the
2 corridor designation process is in place.

3 MS. WHITE: For those who are
4 participating on the phone I ask that you refrain
5 from making comments until the appropriate time.
6 As I have mentioned already this morning, for the
7 courtesy of allowing this proceeding to go forward
8 efficiently and completely please mute your line
9 until you are asked to make comments and raise
10 questions. There are periods during this day that
11 we have designated for such comments and we ask
12 that you be courteous and reserve your remarks
13 until then.

14 For logistical purposes I have to make
15 the following announcement. In the event of an
16 emergency an alarm will sound and participants are
17 asked to evacuate the building following staff to
18 the park adjacent to the Energy Commission here
19 and await instructions either to return or
20 disperse.

21 In addition there are restrooms here on
22 the first floor. If you go out the front doors
23 and to the left you'll find them. We also have a
24 snack bar that can be found at the top of the
25 stairs under the white awning.

1 Our agenda today is to essentially
2 provide an overview of the SB, pardon me, SB 1059
3 requirements. After that -- That overview will be
4 provided by Jim Bartridge of our staff. After
5 that we will ask that various agencies present
6 their presentations. Discussions of the SB 1059
7 requirements and responses to some of the
8 questions that we posed in our February 14 notice.

9 We will also be having presentations by
10 various stakeholders, specifically investor-owned
11 utilities and municipal utilities, after which we
12 will be asking for public comment. It is at that
13 time we have reserved for people to raise
14 questions and inquire about various issues
15 associated with the 1059 requirements. And then,
16 of course, there will be the closing remarks.

17 Proceeding related information for both
18 the Integrated Energy Policy Report and the
19 development of the Strategic Investment Plan can
20 be found at the Commission's website.

21 For general information about the IEPR
22 process you can contact me, Lorraine White, at the
23 information provided there or information is also
24 on our website.

25 Specific to the SB 1059 transmission

1 related issues you can contact Jim Bartridge.
2 That information is also contained in the notice
3 and available on our Energy Commission website.

4 With that, Commissioner, if there are
5 any questions about the logistics of the day.

6 PRESIDING MEMBER PFANNENSTIEL: Thanks,
7 Lorraine. Commissioner Geesman, any opening
8 comments?

9 ASSOCIATE MEMBER GEESMAN: Yes, thank
10 you. As some of you know I have enjoyed two
11 separate tours of duty here at the Energy
12 Commission. In the 1970s, early 1980s I had the
13 pleasure of serving as the Commission's Executive
14 Director at a time when state government was
15 absolutely bedeviled by how to site new generation
16 facilities.

17 The Warren-Ahlquist Act was passed in
18 1974, implemented in 1975, and for the first time
19 provided a consolidated permitting authority in
20 one place for all state and local and regional
21 permits required for a generating facility.

22 And it took us quite a while to figure
23 out how to do that. I can't say that we had
24 figured it out before I had left the Commission.
25 We were presented with a lot of projects that were

1 pretty indigestible. And in terms of final permit
2 approvals I don't believe, in the five years that
3 I recall, we issued a single one.

4 But over the period of several decades I
5 think we did figure out how to do it. Our staff
6 and the Commissioners that served during that
7 period of time I think have created a quite
8 successful siting process, one which actually has
9 yielded an embarrassment of riches in the sense
10 that we have almost 9,000 megawatts of permits
11 that we have issued for environmentally acceptable
12 plants that have not proceeded to construction.

13 This Commission has not been shy or
14 particularly inhibited about raising concerns with
15 the adequacy of our generating facilities in
16 California. But failure or inability to find
17 permittable sites has not been one of the problems
18 in recent years.

19 The last five years I have been on the
20 Commission state government has been equally
21 bedeviled by how to plan and permit new
22 transmission facilities. And again we have been
23 confronted with a number of projects that have
24 proven quite difficult to digest.

25 The Legislature's attempt to address

1 this problem, or at least partially address the
2 problem, is SB 1059. The thought being that if we
3 can identify in advance corridors where
4 transmission facilities are likely to be required
5 in the future we can actually streamline the
6 permitting process and focus the planning process
7 on projects that will get built.

8 The state has embarked on a supply
9 policy very heavily dominated on the generating
10 side by renewable sources of electric generation.
11 And those are resources that are for the most part
12 geographically immovable, meaning that the focus
13 of state planning is going to need to shift from
14 the generating sector to the transmission sector.

15 We come here today I think with a canvas
16 that is quite empty and we are eliciting your
17 input, we hope, as to how this process can be
18 shaped to best assist the development of new
19 transmission infrastructure.

20 Our aspiration is to adopt regulations
21 guiding the implementation of SB 1059 by the end
22 of this calendar year. But our ability to do so
23 will be greatly influenced by the quality and
24 quantity of input that we receive from all of the
25 affected stakeholders.

1 The staff has done an excellent job in
2 getting an early start on this and I look forward
3 to the conduct of today's hearing.

4 PRESIDING MEMBER PFANNENSTIEL: Thank
5 you, Commissioner Geesman. I think it is fair to
6 say that we are at the beginning of a process that
7 is hopefully the beginning of the beginning.
8 There is an awful long way to go in transmission
9 siting in California, a lot of process changes as
10 well as just plain geographic designations. So
11 this is our first step in that direction.

12 So with that, Jim.

13 MR. BARTRIDGE: Thank you, Commissioner.

14 Good morning everyone, my name is Jim
15 Bartridge. I have been heading up the 1059
16 implementation for the Energy Commission. I'd
17 like to go through the PowerPoint here of what we
18 plan to do today.

19 The objectives of today's workshop. The
20 first two are really what we hope to accomplish
21 today, which is to solicit comments on planning and
22 developing future transmission corridors in
23 California, and also provide some discussion of
24 stakeholder needs, concerns and suggestions as we
25 go forward implementing this process.

1 The next three points are really, are
2 reaching out to you. First of all we'd like to
3 report on the Early Listening outreach meetings
4 we've had since about Thanksgiving. There's been
5 about 25 to 30 meetings with various stakeholders.

6 The next point is to emphasize the
7 importance of the Forms and Instructions to the
8 development of the Strategic Plan. This is really
9 for transmission load serving entities. We have
10 the forms and instructions out. I think they are
11 due back March 31st and we'd really like you to be
12 thinking about corridors and corridor needs as you
13 work through those forms and submit your
14 information responses to us.

15 The last point is really solicit
16 participation. This is for everyone else. How
17 you can help us as we go forward with the
18 Strategic Plan and provide us information. So we
19 look forward to your input going forward.

20 Regarding 1059, the Legislature found
21 and declared that California lacks an integrated
22 statewide approach to transmission planning and
23 permitting that addresses the critical energy and
24 environmental policy goals of the state. These
25 include greenhouse gas emissions, meeting RPS,

1 which is -- I think we all know the state of RPS
2 at this point.

3 Second, planning for and establishing a
4 high-voltage transmission system that is vital to
5 the future economic and social well-being of the
6 state.

7 Point three, it is in the interest of
8 the state to identify long term needs for
9 electrical transmission corridor zones. And then
10 the last point, to integrate transmission corridor
11 zone planning done at the state level with the
12 local level.

13 So what does SB 1059 do? The
14 Commissioners mentioned this already but it
15 authorizes the Energy Commission to designate
16 suitable corridors for high-voltage transmission
17 lines consist with the Strategic Plan. That is
18 200 kV and above and I should note here that this
19 can be of an applicant's filing or of the
20 Commission's own motion.

21 It requires the Energy Commission as the
22 lead agency to work with cities, counties, state
23 and federal agencies and California tribal
24 entities. Going forward to look at the need for
25 transmission corridors and work with various

1 parties to try and reach an agreement where we
2 can.

3 And it requires cities and counties to
4 consider designated corridors when making land use
5 decisions that could affect the viability of
6 corridor in the future. That point there is a lot
7 about it in the legislation but essentially it
8 sets up a dialogue between the Energy Commission
9 and the local planning community.

10 So if they accept a project, within ten
11 days of accepting as complete a project that would
12 affect, potentially affect a corridor zone they
13 have to let us know and then we have an
14 opportunity to provide comments. And again, it's
15 a back and forth dialogue.

16 What are the benefits of 1059? It
17 provides a link between transmission planning and
18 the transmission permitting process. It preserves
19 corridors identified in the Strategic Plan as
20 needed for future transmission expansion and
21 provides a mechanism for reevaluation. It
22 facilitates permitting in those designated
23 corridors for transmission developers.

24 It provides for early collaborative
25 public involvement. And this is really an

1 opportunity to get stakeholders, the public
2 involved earlier in the process so that they can
3 feel like they affect the planning process rather
4 than dealing with things later in the stage.
5 Later as they go into permitting, later as they go
6 into designation. We are hoping to get folks
7 around the table as early as possible.

8 And then finally it helps ensure that
9 subsequent land use changes within these
10 designated corridors are consistent with future
11 transmission development.

12 So for our Early Listening process the
13 Siting Committee asked us to go out and meet with
14 stakeholders, find out what their needs were.
15 Find out how we could implement this process to
16 gather collaborative support and get people
17 involved.

18 And we had a number of meetings, again
19 25 to 30 meetings from I think Thanksgiving on.
20 Again, local, state and federal agencies,
21 utilities and other stakeholders. And we did that
22 all the way through February and then started
23 moving forward with this workshop.

24 So what are some of the things we heard
25 with SB 1059 in these early meetings? We heard

1 that people wanted us to avoid duplication of
2 effort in the designation and permitting process.
3 They told us, don't reinvent the wheel here. This
4 shouldn't be a fourth process that people have to
5 file for. They are looking for help in this
6 process, not requirements.

7 Draw upon other agency strengths and
8 core responsibilities.

9 Where appropriate look for continuity or
10 connectivity between state and federal corridors.
11 These are the -- I'm referring to the Section 368
12 EPAct corridors we have been working on for the
13 last year or so.

14 Recognize the value of early stakeholder
15 participation and the value of all stakeholder and
16 what they can provide to the planning process.

17 One of the other things we heard, that
18 corridor designation should occur in advance of
19 need. We heard a five to seven year time horizon
20 and it's a valuable long-term planning tool.

21 The planning and designation presents an
22 opportunity to engage stakeholders earlier and
23 educate parties about the need for new
24 infrastructure in California. And then also that
25 the process should make stakeholders feel they

1 have something to gain, not something to lose.

2 For 1059 the Commission adopted an OIR,
3 an Order Instituting Rulemaking, on February 14.
4 We are going forward in a two-track effort on
5 this. One is to create the rules and the
6 procedures which will guide our process in the
7 future. We'll have additional Siting Committee
8 workshops on draft regulations in May, possible
9 other workshops as needed to resolve other issues.

10 Publish a Notice of Proposed Action in
11 October. That initiates the formal rulemaking and
12 begins the 45 day public comment period.

13 And we expect to adopt the final
14 regulations sometime early December 2007 and
15 submit the final rulemaking package to OAL by the
16 end of December. So with all of that going
17 forward we would have regulations in place by 2008
18 to begin to implement the corridor designation
19 process.

20 Again, the forms and instructions.
21 Again, this is important for those utilities
22 listening in. We are looking for information from
23 you on point-to-point electric transfer needs.
24 This can be regional from generation to load or
25 more specific from substation to substation. But

1 that is the information we would like you to
2 provide us in your forms and instructions.

3 And discuss your potential corridor
4 needs. Again, linking with federally-designated
5 corridors, those draft corridors that are out
6 there from Section 368. We'd like to hear about
7 potential impacts to sensitive lands along these
8 corridor areas. We'd like to hear what you've
9 done in regards to the Garamendi Principles and
10 any previous work you may have done.

11 For the Strategic Plan: We are
12 developing that strategic plan. That's the second
13 part of what we're doing this year along with the
14 regulations our transmission unit will be taking
15 the forms and instruction information we get and
16 moving forward to develop a strategic plan. We
17 were tasked with that in 2004.

18 SB 1565 added a section, Section 25324,
19 and told us to adopt a strategic plan for the
20 electric transmission grid and identify and
21 recommend actions that would ensure reliability,
22 relieve congestion or meet future load growth.
23 And this is very important, the renewable aspect
24 of meeting the future load growth.

25 So the corridor identification process

1 and strategic plan development. We'll develop a
2 list of corridor needs from transmission system
3 owners based on the Forms and Instructions input.

4 We will publicly discuss those
5 transmission plans, including corridor needs and
6 any other permitting issues we're aware of. We'll
7 take comments from stakeholders, local, state,
8 federal and tribal agencies and private
9 stakeholders as well.

10 Then we'll prepare the Draft Strategic
11 Plan to identify corridor needs, major physical
12 and institutional issues. Actions to resolve
13 those issues. Affected agencies and entities.
14 Comments and input and corridor recommendations.

15 The Policy Committee will issue the
16 Proposed Strategic Plan and adopt a final
17 Strategic Plan later in the year along with the
18 IEPR.

19 And here is the schedule for the 2007
20 Strategic Plan. So again, March 31 with the Forms
21 and Instructions. Our analysis in the
22 transmission unit from February to May.
23 Additional workshops we're having April 19 and May
24 14. We'll be looking at some other issues there
25 including renewables.

1 We'll be looking at the federal
2 corridors in there, we'll be looking at interstate
3 and intrastate transmission. And then we'll
4 publish the Staff Draft Strategic Plan in July.
5 We'll have a workshop something in August on it
6 and the Committee Draft sometime in September and
7 the Committee hearing on the Committee Draft
8 Strategic Plan sometime in September.

9 Again, how the Strategic Plan fits with
10 the IEPR. The Draft IEPR is September so that
11 fits with the Draft Strategic Plan. The Committee
12 hearings on the 2007 IEPR in September. The final
13 2007 IEPR and Strategic Plan, sometime in October
14 they'll be issued. And the final October 24 is
15 what we're shooting at. Hopefully we'll make
16 those dates. And then the 2007 IEPR and Strategic
17 Plan are submitted to the Governor and the
18 Legislature on November 1.

19 So again, here is the information on the
20 IEPR. It's your first link there. We have a
21 corridors website on 1059. There's a couple of
22 list serves that we have if you're interested in
23 this process or what we have going on
24 transmission. We have a transmission list serve
25 as well as the IEPR list serve.

1 And if you have any questions please
2 give me a call. Thank you.

3 And with that our first presentation
4 will be Terry Roberts of the Governor's Office of
5 Research and Planning.

6 MS. ROBERTS: Good morning,
7 Commissioners, good morning, everyone. I am Terry
8 Roberts with the Governor's Office of Planning and
9 Research. Our office assists state and local
10 agencies with all kinds of land use planning and
11 environmental issues. I am very happy that you
12 have invited me to speak to you today, thank you
13 very much for this opportunity.

14 This first slide just gives you a quick
15 idea of what I would like to cover in my brief
16 presentation. We are strong proponents at OPR of
17 effective planning, collaborative planning, multi-
18 jurisdictional planning. And I think this is an
19 example of that very sort of planning effort,
20 which I am very glad to see that the Energy
21 Commission is engaging in.

22 At OPR we are involved in several other
23 undertakings, long-range planning undertakings
24 with the Department of Water Resources, with
25 Caltrans, even with the US Department of Defense

1 working on local military base issues.

2 I would like to also talk about how I
3 think SB 1059 helps the state of California to
4 take leadership in this particular issue and bring
5 together all of the parties that are necessary to
6 really have an effective planning process for
7 transmission corridors.

8 And then if the Commission sees fit to
9 continue having OPR involved in this process I'd
10 like to offer some suggestions on how we might
11 participate and assist if you'd like us to.

12 And then just some benefits that I see
13 in this corridor planning process. Benefits not
14 only for the state but also for regional and local
15 governments. And as was mentioned earlier, we
16 need to look for win-win situations where local
17 and regional agencies, utility companies can see
18 benefits for themselves as an outcome of this
19 process.

20 Everybody is aware of the rapid growth
21 that is happening in California. We're adding
22 somewhere around 500,000 to 600,000 people per
23 year. Currently our state population is about 37
24 million people. By 2025, less than 20 years from
25 now, we are going to have a population of about 46

1 million. That's a 25 percent increase over today.

2 And with that growth comes intense
3 pressure, intense competition for resources,
4 whether it's land resources, natural resources.
5 And although people who are not from California
6 might say to us, gee, you've got lots of open
7 space, you've got lots of room to spread out, that
8 is not necessarily true considering the public
9 lands that we have designated in California, the
10 intense pressure for growth and development in
11 some of the more sensitive areas of the state,
12 including the coastal areas.

13 So there is absolutely a need for multi-
14 jurisdictional collaboration. More than ever
15 before I think it is really necessary that we
16 solve our problems, that we deal with issues in a
17 multi-stakeholder and collaborative way. And
18 again, this is an example of that type of process.

19 The long-range perspective is also
20 important. I've heard mention here this morning
21 that you are looking at perhaps a five to seven
22 year planning horizon for transmission corridors.
23 Keep in mind as you're undertaking this process
24 that different governmental agencies have
25 different planning horizons. For example, I will

1 just throw out city and county general plans,
2 which will ultimately factor into this, typically
3 have a planning horizon of anywhere from 10 to 20
4 years. Fifteen is sort of the typical range. But
5 that's something to keep in mind.

6 The legislative findings and
7 declarations. Jim did a pretty thorough job of
8 going over that. But really what it says to me,
9 what the bill says to me is that we need strategic
10 planning to meet our long-term needs for access,
11 for reliability and efficiency in the system, and
12 to enable orderly planning and to facilitate the
13 later site-specific siting and permitting process.

14 Energy transmission is not something
15 that is normally high in the mind of local land
16 use planners. They are dealing with housing and
17 roads and sewage treatment plants and where to
18 site all of those things.

19 Energy transmission planning is no less
20 important, though, than planning for your water
21 system needs, your transportation needs, your
22 habitat planning requirements. And so this
23 process led by the Energy Commission is going to
24 help us look at those system-wide needs and
25 identify regional and statewide opportunities, and

1 yes, constraints.

2 But in a manner that I think will be an
3 example. An example, just as there are other
4 examples going on in the state right now with
5 statewide planning for our water supply and flood
6 protection that is going on at the Department of
7 Water Resources.

8 With the regional blueprint planning
9 process, which I also want to make sure that the
10 Commission staff is aware of because this corridor
11 planning process may be able to mesh or dovetail
12 somehow with the regional land use, transportation
13 and housing plans that are being developed
14 currently by at least nine or ten councils of
15 government. Covering, by the way, the majority of
16 our state's population.

17 I think it's great that the law was
18 passed. That really puts the Energy Commission in
19 the driver's seat here as far as bringing together
20 all of the parties and engaging in a collaborative
21 planning process so that there is state leadership
22 on this issue.

23 The staff has already begun that very
24 important process of involving the stakeholders,
25 with this public workshop as an example of that

1 sort of process. And 1059 is going to be very
2 important because as we all know state policy,
3 land use policy, energy policy is only effective
4 if you've got partners at the local level who are
5 enabling the implementation or facilitating the
6 implementation of your goals and policies.

7 And so 1059 does a good job of not
8 having a top-down approach where the state
9 dictates to local land use agencies how they
10 should plan but rather provides that important
11 input information, even education to local
12 government so that they can make better planning
13 and permitting decisions.

14 Now most of you know something about OPR
15 but really what we are all about is encouraging
16 informed decision-making. We do have some
17 expertise in how local land use planning and
18 permitting works. We also have some understanding
19 of how the state planning and permitting system
20 works.

21 And we have been involved in many
22 statewide planning efforts, regional planning
23 efforts, that involve multiple levels of
24 government from the federal government down to the
25 city level. And so we'd like to offer, if you

1 would like to use us, to offer that expertise.

2 Personally I think that OPR already has
3 a very good working relationship with the Energy
4 Commission's staff. We have been participating in
5 the quarter designation for the western states,
6 working with the Energy Commission staff on
7 developing some questions that we can pose to
8 cities and counties in the form of a survey on
9 their energy requirements.

10 So I would just simply like to offer our
11 assistance where it is appropriate to help
12 facilitate communication among all of the many
13 stakeholders to help you identify what we have
14 learned about regional and statewide concerns and
15 issues and always sort of keep on the table there
16 those principles of sustainable and comprehensive
17 land use planning.

18 Now looking back at the history of SB
19 1059. It did go through several iterations. It
20 was modified, I think, pretty extensively. But
21 the basic, the bottom line is that energy
22 transmission, energy transmission is not a very
23 well understood issue for the lay-person, I don't
24 think, for the typical, local, city or county land
25 use planner.

1 I think that the Energy Commission's
2 process, this designation process, will encourage
3 greater public understanding of the energy
4 transmission issue as an issue of statewide
5 importance as spelled out in the bill.

6 The designation of corridors can help to
7 achieve the state's renewable energy targets by
8 providing access to those remote rural areas where
9 a lot of our renewable energy is generated but
10 can't make its way to the places where it can be
11 used or where it might be used.

12 The process can encourage more energy-
13 aware local planning and development. Not just
14 for local land use planners but also for the
15 development community. And the corridor
16 designations hopefully, again this is my hope,
17 that those corridors will help complement local
18 and regional policy objectives.

19 If we look at the regional blueprint
20 plans there may be an opportunity to inject into
21 those plans some consideration of perhaps
22 reservation or opportunities for transmission
23 corridors. We can look at local general plans and
24 look at their objectives for habitat preservation,
25 open space preservation, agricultural land

1 protection and see how this process can dovetail
2 with those local and regional plans and help to,
3 help everyone to achieve common objectives.

4 And of course I think that the most
5 effective way to really implement your plans, your
6 corridor designations, would be to have local
7 governments, cities and counties, actually reflect
8 those corridors in their general plans, in their
9 land use plans, in their zoning ordinances and
10 policies. And so I think that if done well this
11 process can help to achieve that sort of a goal.

12 And there's been several comments about
13 how we can plan for things but how do we actually
14 get things built. How do we realize these plans
15 with concrete construction at the ground level.
16 Well I think that the environmental document that
17 the Energy Commission is going to prepare could
18 lay the foundation for a streamlined site-specific
19 project review so that the CEQA review that may be
20 required for later site-specific corridor
21 designation and construction of transmission
22 facilities could be facilitated.

23 There is one comment I would like to
24 make and this is just a suggestion for the Energy
25 Commission staff. The bill, SB 1059, talks about

1 how local governments will take a look at proposed
2 development projects within their jurisdiction and
3 make a determination about whether that
4 development project would threaten -- I think
5 that's the term that's used in the bill -- would
6 threaten the potential to construct a high voltage
7 transmission line.

8 Perhaps through the regulations or
9 through some other kind of information and advice
10 the Energy Commission could explain to local
11 governments how to make that determination. What
12 criteria should they be using to actually
13 determine whether a corridor that is designated by
14 the Energy Commission might or might not be
15 threatened by a later development project, whether
16 it's housing or whatever it may be, a
17 transportation project.

18 Thank you very much for your attention.
19 This is my contact information in case anyone
20 would like to speak to me later or ask questions
21 about what OPR does. Thank you very much.

22 ASSOCIATE MEMBER GEESMAN: Thank you,
23 Terry. And let me also indicate our desire to
24 take you up on your generous offer of assistance
25 as we go forward. I think OPR's expertise can be

1 extremely useful to our objectives here.

2 MR. BARTRIDGE: Next up we have Chloe
3 Lukins from the Public Utilities Commission.

4 MS. LUKINS: Good morning, Commissioners
5 and everyone. Thank you for giving me the
6 opportunity to talk today. My name is Chloe
7 Lukins, I am the supervisor for the transmission
8 environmental permitting group at the California
9 Public Utilities Commission.

10 We seek that the specific objectives for
11 the corridor designation process should include
12 broad corridor designation. Looking at maybe
13 something like 1500 to 2,000 feet wide. And this
14 will give us the option to put in several
15 transmission lines in a corridor.

16 Also we seek that there be no limitation
17 on the voltage in the corridor. We want to have
18 the ability to put in a 230 kV or a 500 kV line in
19 a designated corridor. Also it would be helpful
20 to have a generic program EIR.

21 Also like to use the designated
22 corridors to facilitate subsequent development of
23 transmission lines to ensure reliable and
24 efficient delivery of electricity.

25 Looking at the planning horizon for

1 future projects that would use a designated
2 corridor. I think that it would be good to focus
3 Senate Bill 1059 in a 5 to 15 year horizon
4 starting in year 2012. The ISO 2006 transmission
5 plan which just came out in January 2007 states
6 that projects have been approved by the ISO which
7 have an in-service date of up to about 2012.

8 Also it would be helpful if the process
9 doesn't interfere with projects currently in
10 development and in the permitting process right
11 now. Also it would be helpful, in areas where
12 there is population growth it would be helpful to
13 designate a corridor early in the process so
14 housing developers and future residents are aware
15 of a designated corridor.

16 Looking at some of the permitting
17 issues. Project-specific alternatives really
18 can't be considered in corridor designated
19 --designation process. It would be helpful, as I
20 said earlier, if the program environmental report,
21 the EIR, would identify broad corridor
22 designations. That is, again, 1500 to 2,000 feet
23 wide. Also, not specify a specific voltage of a
24 transmission that would go in a corridor. And
25 also that the program EIR would be generic.

1 We need to recognize that there are some
2 limitations to the program EIR. And one of them
3 is that the program EIR really can't look at
4 transmission alternatives because a specific route
5 hasn't been identified or designed yet.

6 Also we would like to avoid duplication
7 with the -- we would like the process, the 1059
8 process, permitting process, to avoid duplication
9 with the project-level analysis. Recognize that
10 when projects are subsequently proposed, project-
11 level analysis may need to study alternatives that
12 do not go through a designated corridors.

13 At PUC we look at alternatives as part
14 of the specific project and these alternatives are
15 identified in the project scope and process.

16 The program EIR can, however, be used
17 for a project-specific CEQA process later on. It
18 should be -- The program EIR would be useful in
19 subsequent project-level analysis if it has
20 generic, if it's a generic program EIR where it
21 has already identified local habitat plans. That
22 is, agreements between utility and local agencies.

23 Also it would be helpful to have generic
24 construction mitigation identified. Such as maybe
25 corridors go through, a corridor goes through a

1 residential area. The residents may not want the
2 construction crews to park in the residential area
3 all day so there might be a parking lot maybe
4 about a half-mile away. The construction crews
5 would park in the parking lot and they would be
6 shuttled into the construction site.

7 Also, it is not on this slide, but it
8 would be helpful to notify cities and residents
9 along the corridor. Right now we have one project
10 where it anticipates notifying up to 30 cities for
11 one specific transmission line.

12 We have another project where over
13 11,000 notices, and these notices are packages
14 about a quarter-inch thick. It would be helpful
15 if these notices were mailed out to identify
16 alternatives, alternative routes as part of a
17 specific project.

18 Another thing that would be helpful, as
19 I mentioned earlier, is to identify corridors in
20 rural areas where there is a lot of population
21 growth.

22 The program EIR probably wouldn't be
23 very useful for a specific project, a CEQA
24 project, and it shouldn't really specify specific
25 mitigation. And part of that is because the line,

1 exact route and tower locations haven't been, been
2 identified yet or located.

3 Also it wouldn't really be productive to
4 do biological studies in the program EIR. Usually
5 the biological studies are done the year closest
6 to the preparation of the environmental document.
7 There is one example where at one project site
8 vernal pools were not located, were not on the
9 project site.

10 And then the year they were going to
11 start construction the vernal pools did show up.
12 It was a very light year before construction had
13 started. And in those vernal pools there were
14 freshwater shrimp and so we had to address the
15 freshwater shrimp during the time of construction.

16 There is another example where there was
17 a plant at a project site. It didn't exist when
18 the EIR was prepared and actually finalized. And
19 the utility when they received the permit, there
20 was actually a year or two gap from when they
21 received the permit to when they actually did
22 construction, started construction.

23 And then that year when they went to
24 start construction this plant had showed up. And
25 when that had happened and it was identified work

1 had to stop and the plant had to be mitigated.
2 And the mitigation measure was to actually
3 transplant the plant somewhere else and that also
4 needed approval by California Fish and Game.

5 But the PUC could use a program EIR in
6 specific project -- a project specific CEQA
7 process. If, again, the broad corridors are
8 designated, 1500 to 2,000 feet wide with no
9 limitation of voltage within that corridor. If
10 there was a generic program EIR, which identified
11 habitat plants for the area and identified
12 construction, generic construction mitigations.

13 Also identify corridors in rural areas
14 where population growth, where there is population
15 growth so housing developers and future residents
16 are aware of the location of the transmission
17 line. Also notification of cities and counties
18 and existing property owners of designated
19 corridor locations.

20 Also it would be helpful if the process
21 weren't a duplicative permitting process for
22 specific projects and it is a time efficient
23 process. And thank you for your time.

24 ASSOCIATE MEMBER GEESMAN: Thanks for
25 your comments, and in particular their

1 specificity. A question occurs to me, and I
2 believe it was one of those attached to the notice
3 for this hearing. How do you feel about utilities
4 land banking designated corridors?

5 Currently, I believe, the CPUC follows a
6 policy of trying to keep a five-year limit on
7 investments in land. If we're looking at a
8 planning horizon, in your words, as long as 15
9 years, would it be logical to expand that
10 permissible investment in land for rate-based
11 purposes?

12 MS. LUKINS: I can't answer that right
13 now, I'll have to get back to you.

14 ASSOCIATE MEMBER GEESMAN: Thank you.

15 MS. LUKINS: Okay, thank you.

16 ASSOCIATE MEMBER GEESMAN: Thanks,
17 Chloe.

18 MR. BARTRIDGE: Next up we have Bob
19 Hawkins from the US Forest Service.

20 MR. HAWKINS: Good morning and thank you
21 for having me here. I am Bob Hawkins with the US
22 Forest Service, the Pacific Southwest Region, and
23 thank you for inviting the Forest Service to
24 participate.

25 I am sure most of you know we're located

1 in California. In the Pacific Southwest Region we
2 have about 20 million acres covering 18 national
3 forests in California. We manage those forests
4 primarily through land and resource management
5 plans and those are the documents that give us our
6 management direction that would apply to utility
7 corridors.

8 Within those plans we've got 22
9 designated corridors. And I think you'll find as
10 we go through the Energy Policy Act Section 368
11 process we're going to be making some proposed
12 changes and additions to those corridors that we
13 have designated.

14 We are really supportive of the
15 objectives of SB 1059. I think we have even been
16 able to incorporate some of the concepts into the
17 Westwide Energy Corridor Project that we have been
18 working on. We are committed to working with the
19 Energy Commission staff through this process so
20 that we can help ensure coordination with our land
21 management plans, that's our primary goal.

22 And as we were preparing for this
23 workshop, you know, we took a look at some of our
24 experience in terms of what might be potential
25 impediments. And one of the things that we found

1 is that frequently there's a lot of different
2 objectives between jurisdictions at the federal,
3 state and local level. Particularly as it comes
4 on our border issues, we definitely can work on
5 improving the coordination between adjacent
6 jurisdictions.

7 We also have found that there may be
8 competing interests between utilities. And again,
9 this is from our perspective. You know, we face,
10 we're in areas where there's different utilities
11 trying to get through the national forest as
12 everybody is trying to serve their customers'
13 demands. We may not be working closely with all
14 of them and there may be some, some limits,
15 especially when you look at limited opportunities
16 on the national forest. There's definitely some
17 issues that could come up because of that.

18 I wanted to talk a little bit about the
19 limited opportunities on the national forest.
20 It's, as I am sure many people are aware, it is
21 difficult to site both corridors and projects on
22 the national forest. We have got statutory areas
23 such as wilderness, regulatory areas such as
24 roadless areas, in addition to species habitat and
25 our other scenic and recreational areas.

1 And we also have a policy requirement
2 that we really need to look at, the need for
3 National Forest System land and look off-site to
4 see if there's other alternative off the national
5 forest.

6 ASSOCIATE MEMBER GEESMAN: Where are
7 those policy requirements found? Are they in
8 statute?

9 MR. HAWKINS: The policy requirements
10 are in our policy directives.

11 ASSOCIATE MEMBER GEESMAN: Okay.

12 MR. HAWKINS: That would be the Forest
13 Service policy.

14 ASSOCIATE MEMBER GEESMAN: Okay.

15 MR. HAWKINS: So some of the solutions
16 that we see I think are very compatible with what
17 the Commission staff has discussed in Section
18 1059. Particularly the collaborative approach.
19 We really see opportunities working with the
20 stakeholders early in the process to work through
21 some of the problems and find common ground to
22 identify corridors.

23 And we would note that the Commission
24 through the PIER program is sponsoring work on
25 tools that will help us do that, particularly the

1 planning alternative corridors for transmission
2 model could be a very useful tool to help build
3 collaboration.

4 We also think there is an opportunity
5 for integrated planning at a smaller scale. We
6 notice through the westwide corridor project we
7 were trying to build a connection through 11
8 western states and we weren't able to address all
9 the issues with that scale of planning,
10 particularly if you try to plan at a statewide
11 level.

12 We really see opportunities at a
13 regional scale or a multi-county scale.
14 Particularly for us Southern California is a very
15 high priority. We have at least eight siting
16 projects going on down there, a combination of
17 Public Utilities Commission, public utilities
18 coming to us for siting and the LEAPS project
19 through the Federal Energy Regulatory Commission.
20 So that's definitely an area for us that we have a
21 lot of interest in working on some collaborative
22 approaches.

23 We also support a longer planning
24 window. Our forest plans are set on a multi-
25 decade approach. For our original planning rules

1 we had a 15 year update. We're working under new
2 rules now that we have probably more frequent
3 updates but we are still taking a long-term
4 approach. And I think a long-term window will
5 really let us look at some things that you
6 typically can't look at through a siting decision.

7 And finally we think at the corridor
8 level you can look at some issues such as
9 compatible land uses, visual quality, but you do
10 need to avoid looking at very site-specific issues
11 that would come up at the siting decision. So
12 that when you're done with a corridor allocation
13 you've kind of preserved that use for the future
14 but you haven't bogged the process down by trying
15 to analyze specific projects at the same time.

16 And that concludes my comments. Thank
17 you again for the opportunity.

18 ASSOCIATE MEMBER GEESMAN: Can I ask?
19 Are each of the national forests on the same
20 planning cycle?

21 MR. HAWKINS: No, each of the forests
22 had plans that were developed probably through the
23 late-80s or early '90s up until -- We just had one
24 of our first set of forests get revised plans and
25 those were the Southern California forests. So

1 they were the first back in the '80s. They went
2 through their 15 years and they were just revised.
3 So we are trying to work through a schedule. As
4 the plans hit 15 years in age we try to do an
5 update.

6 ASSOCIATE MEMBER GEESMAN: And you
7 indicated a likelihood the cycle may accelerate a
8 bit from a 15-year cycle to something shorter?

9 MR. HAWKINS: We're working under new
10 planning rules so we've got -- All the plans that
11 we've got now were developed under the rules that
12 came out of the '80s. And so as we move forward
13 and we revise the plans the new rules have more of
14 what they call a loose-leaf notebook approach,
15 where you can, you know, feed in pieces as you
16 update the plan. But I still think they'll be
17 looking out in the future, that's kind of a long-
18 range view, of the desired outcomes that we want
19 in the national forest.

20 ASSOCIATE MEMBER GEESMAN: Thanks very
21 much.

22 MR. HAWKINS: You're welcome, thank you.

23 PRESIDING MEMBER PFANNENSTIEL: Bob, may
24 I just ask? You mentioned the policy
25 determinations on what can happen in an individual

1 area. Those policy determinations, I take it, are
2 across all states, all parts of the forest
3 service?

4 MR. HAWKINS: Right. We do that at the
5 project level. If a private applicant were to
6 come to do a use on the national forest one of the
7 things we screen for proposals is against the need
8 for the national forest.

9 Particularly if it comes up to these
10 corridors in a particular siting. We have had
11 some expanded direction that would have us look
12 carefully at the resource impacts from locating a
13 use off the forest versus maybe the resource
14 impacts on the forest. If it turns out resource
15 impacts off the forest would be greater that in
16 turn could be justification to use National Forest
17 System lands to site a particular project.

18 PRESIDING MEMBER PFANNENSTIEL: Thank
19 you.

20 MR. BARTRIDGE: Thanks, Bob.

21 Next up, Troy Burdick, Bureau of Indian
22 Affairs.

23 MR. BURDICK: Good morning,
24 Commissioners, and thank you for the opportunity
25 for me to come here and speak to you. My name is

1 Troy Burdick, I am the superintendent for the
2 Central California Agency, the Bureau of Indian
3 Affairs Pacific Region located here in Sacramento.
4 I am here on behalf of the regional director,
5 Mr. Clay Gregory, of the Pacific Region Office.

6 My purpose here today is to bring to
7 your attention some issues and hopefully some
8 insights as to what the state and the California
9 Energy Commission may encounter as it develops its
10 strategic plan in the execution of SB 1059,
11 specifically issues the state may encounter in
12 working with American Indians, federally
13 recognized tribes and the lands which they occupy.
14 These issues arose out of my experience in working
15 with the cooperative working group headed by
16 Mr. Jim Bartridge in matters dealing with Section
17 368 of the Energy Policy Act of 2005.

18 The jurisdiction of the pacific regional
19 office encompasses the entire state of California.
20 It is comprised of four agencies and one regional
21 office. The pacific region has administrative
22 jurisdiction over 104 federally recognized tribes
23 usually designated as rancherias or reservations.

24 The five offices are as follows: The
25 Pacific Region is headed by Mr. Clay Gregory as

1 the regional director. The Northern California
2 Agency located in Redding is headed by Dr. Virgil
3 Akins, the superintendent. The Central California
4 Agency headed by myself, located here in
5 Sacramento. And the Southern California Agency
6 located in Riverside headed by Mr. James Fletcher
7 a superintendent. And the Palm Springs Agency
8 located in Palm Springs headed by Mr. Kim Snyder,
9 a Superintendent.

10 The Northern California Agency
11 jurisdiction area encompasses seven Northern
12 California counties and 18 federally recognized
13 tribes spread out over six of the seven counties.
14 At this scale it is difficult to see most of the
15 lands for these tribes with the exception of the
16 Hoopa and Yurok tribes, all indicated there in
17 red. And not all the lands held in trust for
18 tribes are contiguous. And this just illustrates
19 where they are located. Obviously you can't see
20 their lands, they are actually quite small.

21 The Central California Agency
22 jurisdictional area encompasses 43 counties and 54
23 federally recognized tribes spread out over 25
24 counties and one small area of Western Nevada.
25 Again, at this scale it is difficult to see most

1 of the lands for these tribes with the exception
2 of the Round Valley Reservation in Northern
3 Mendocino County and the Tule River Reservation in
4 Tulare County. Some of the rancherias are very
5 small and some of their names didn't show due to
6 the scale of that map but they are there.

7 The Southern California Agency
8 jurisdiction area encompasses eight Southern
9 California Counties and 32 federally recognized
10 tribes spread out over five of the seven counties.
11 Once again, there is a little more of a close-up
12 to show you that.

13 And the Palm Springs Agency has
14 jurisdiction and works with just one tribe, the
15 Agua Caliente Band of Cahuilla Indians in
16 Riverside County.

17 Lands occupied by the California Indians
18 are held in a trust status by the federal
19 government for the benefit and use of California
20 Indians. Those lands have three designations,
21 reservations, rancherias and public domain
22 allotments, or PDAs. There is no relational
23 difference between reservations and rancherias,
24 though rancherias tend to be smaller in terms of
25 size. In fact, some rancherias have no land under

1 trust status at all.

2 Reservation and rancheria lands are also
3 under the control of an elected, governing body.
4 Public domain allotments are somewhat different in
5 that they are not under the control of a governing
6 body but by an individual or individuals. They
7 can be sold or taken out of trust status upon
8 request of the individual.

9 Public domain allotments are lands that
10 were purchased by the federal government for what
11 was termed poor and homeless Indians in the early
12 1900s. There are more than 330 public domain
13 allotments throughout California. They range in
14 size from less than one acre to several hundred
15 acres and many have more than one interest holder
16 and have multiple interest holders.

17 Due to the similarities between SB 1059
18 and the Energy Policy Act of 2005 I would like to
19 point out some key areas the work group dealt with
20 in the federal sector corridor designation
21 process. As you know, Section 368 of the Energy
22 Policy Act dealt with designation of federal
23 energy transmission corridors on federal lands.
24 The corridor is based on a centerline. A proposed
25 corridor is generally held at a width of 3500

1 feet. As a result of this process a programmatic
2 environmental impact statement is being drafted.

3 Now I would like to provide some
4 illustration of what the state might encounter in
5 developing a strategic plan when making its own
6 determinations on energy corridors and how it may
7 encounter tribal trust lands and lands designated
8 as public domain allotments. Please bear in mind
9 that these illustrations are not a suggestion as
10 to how the state should make its designation but
11 merely an observation based on our work on the
12 federal corridors. I also want to add as well
13 that the illustrations are just that,
14 illustrations, and in no way represent legal
15 representation of boundaries.

16 In this illustration you are looking at
17 an actual reservation within California. The
18 black line indicates roadways in the area, the
19 green and orange areas represent federal lands.
20 The yellow line indicates the centerline of a
21 possible federal corridor in that area and the
22 other lands in the gray area are non-federal
23 lands. Obviously the pink area is the
24 reservation.

25 In this slide I have now added a

1 proposed 3500 foot wide corridor based on the
2 centerline now indicated in red. In overlaying
3 the proposed corridor you can see what it might
4 look like where it intersects those federal lands.
5 This is illustrated in the lighter green areas.

6 In removing the corridor area and
7 applying a possible state corridor designation of
8 1500 feet wide, the blue area, you can now see a
9 pathwork of sorts where the state could possibly
10 fill in the gaps if it chose to use this method.

11 The point of this illustration is to
12 show that if the state decides to follow some
13 other path other than a proposed centerline, such
14 as running a parallel corridor or a corridor that
15 goes around a tribal land, it may encounter other
16 obstacles or problems not illustrated here. In
17 other areas where PDAs are located the state may
18 encounter the same issues.

19 In the federal designation process we
20 became acutely aware of the importance of impacts
21 a corridor designation could have. Now when I say
22 impacts it should be noted that it does not
23 necessarily imply that such designations are
24 negative. In fact, the designation of federal or
25 state corridors could be a benefit to tribes and/

1 or individuals if the process is handled
2 correctly.

3 As with the federal process the state's
4 strategic plan will set the state for future
5 energy projects for designated corridors. And I
6 think we have heard a couple of the earlier
7 presenters mentioning that.

8 It's important that the strategic plan
9 designation process adequately address the
10 potential impacts, both positive and negative.
11 You must be mindful and sensitive to cultural
12 areas used by American Indians, even though they
13 may not, in fact, inhabit a particular area. This
14 is of particular importance.

15 There are many areas within the state,
16 federal and public domain that have special
17 significance to many Indian people throughout the
18 state. As I pointed out earlier, the designation
19 process could be of benefit to tribes and those
20 lands do not necessarily need to be avoided simply
21 because they are tribal lands.

22 The key here is communication. I cannot
23 stress this point enough. So often tribes
24 perceive that their needs and concerns are
25 ignored. During the federal designation process

1 this was made very clear. You will find, though,
2 that the level of participation varies from tribe
3 to tribe. Not all wish to have an active role in
4 this process, whereas others will want to be very
5 active in this process.

6 I believe that my recent work with Jim
7 Bartridge and the California Energy Commission has
8 laid a good foundation for working together within
9 the state projects such as these and we would like
10 to continue to provide whatever assistance we can.

11 We can provide the most current
12 information on those who may wish to be
13 participants in this process. As you see here we
14 can provide mailing addresses and other
15 information on who the elected officials are for
16 these tribes.

17 And we can also provide the California
18 Energy Commission with geographical information
19 that can assist you in the decision-making
20 process. This, of course, has to be approved by
21 the regional director as some of this geographical
22 information is sensitive in nature, much like
23 others. But the Bureau maintains the most up-to-
24 date geographical information as it pertains to
25 federal lands within this state, our regional

1 office here.

2 And there's some contact information
3 here on the regional director and the various
4 superintendents in the respective areas where the
5 tribes that may be affected by this process. And
6 I believe Mr. Bartridge made some copies of this
7 for your information.

8 Again, thank you. I want to thank you
9 again on behalf of the regional director for
10 allowing me to make these comments to you.

11 ASSOCIATE MEMBER GEESMAN: Troy, I had
12 one question. And thank you for your comment. Do
13 the public domain allotments present a particular
14 communication challenge?

15 MR. BURDICK: Possibly. Only because
16 there are in most cases multiple owners and, quite
17 frankly, we don't always know where these people
18 are. It's a monumental task at this point that
19 we're involved in, in addressing that issue, among
20 others, that involve the probating of those lands
21 when an owner dies. Some public domain allotments
22 have several hundred owners with small fractional
23 interests in that land.

24 You know, we can help as best as we can
25 with the most current information that we have.

1 ASSOCIATE MEMBER GEESMAN: Well we'll
2 take you up on that but I do recognize the
3 challenge there. Thank you.

4 MR. BARTRIDGE: Thanks, Troy.

5 Next up, Jurg Heuberger of Imperial
6 County.

7 MR. HEUBERGER: Good morning, members of
8 the Commission, Commission staff, ladies and
9 gentlemen. My name is Jurg Heuberger. I am the
10 director of planning and development services for
11 the county of Imperial. And if you don't know
12 where that is I'll show you that shortly.

13 Let me preface my comments with a couple
14 of things. First of all we want to thank you for
15 the invitation extended to us to participate in
16 this workshop and the presentation that I am about
17 to make for you is on behalf of the Imperial
18 County Board of Supervisors.

19 I have been with the county about 32
20 years and so I'd like to acknowledge and thank the
21 CEC staff over the years that has worked with us
22 on a number of projects, primarily geothermal, and
23 it has been very appreciative, their help. Most
24 recently with a project where we were the
25 permitting agency in conjunction with your staff.

1 And again, it went very smoothly and we
2 appreciated that, as did our Board.

3 I especially appreciated Jim's comment
4 earlier this morning when he said that this was
5 going to be or intended to be a process that
6 involved a lot of coordination with the local
7 planning agencies. A lot of times when our Board
8 sees new legislation they kind of look at it like
9 tablets from the mountain and they are very
10 apprehensive because a lot of times it imposes
11 local mandates. So if this process really is as I
12 have heard this morning going to involve a lot of
13 good coordination with the local planning agencies
14 then hopefully some of their fears will be
15 alleviated.

16 And lastly, the Imperial County Board of
17 Supervisors is on record and is very supportive of
18 supporting new power generation facilities, clean
19 power generation facilities. You might have read
20 some issues that they have had with power plants
21 across the border but that is not what we are
22 talking about.

23 So we recognize that, of course,
24 transmission corridors are a necessity if we're
25 going to support power generation. So let me

1 just, as I said, tell you where we are. We are in
2 the southernmost corner of California, bordered on
3 the east by Arizona, on the south by Mexico, on
4 the west and the north by San Diego County and
5 Riverside County.

6 We have a small population, about
7 170,000. About 500,000 acres of agricultural
8 land, which you'll soon see is the majority of our
9 productive and urban area. And while we have
10 about 3.3 million acres of land almost two-thirds
11 of it is federal, state or military target ranges.
12 So we are somewhat restricted.

13 This is where we are, Southern
14 California, this is the county. As I indicated
15 the population in Imperial County is small,
16 although we have been growing in the last three
17 years more than three percent. We have had an
18 extensive building boom, as I mentioned to
19 Mr. Tooker earlier when I arrived. We currently
20 have over 50,000 units in the planning stage alone
21 in the various cities and the county.

22 This is basically the central portion of
23 Imperial County. If you can see them those yellow
24 cross-hatched areas are what we originally
25 developed in the 1993 update of the general plan

1 as approximately 60,000 acres of urban developable
2 land, at the same time preserving to the maximum
3 amount possible the agricultural areas.

4 We just recently upgraded and updated
5 the general plan by updating the transmission,
6 excuse me, the circulation element and the
7 geothermal transmission element, and in doing so
8 we established a 50 year growth projection. And
9 if you think planning freeways and expressways in
10 a county that has country roads was a challenge
11 and telling the public they are going to have to
12 give up 210 feet of right of way for a new
13 highway, then your transmission lines are not all
14 that difficult.

15 This basically represents the 50 year,
16 and I'll just kind of go through this, the 50 year
17 path that we envision the county's growth will
18 look like. Basically it's a very linear process
19 because of the way the cities are currently
20 growing. So at the end of 50 years we have laid
21 out basically a master plan for transportation and
22 for corridors, for transmission corridors. This
23 is both in circulation as well as transmission
24 under our general plan.

25 In addition the county is home to one of

1 the largest geothermal deposits in the nation with
2 an excess of 2000 megawatt capacity. We have 350
3 days of sunshine and so we've had a lot of
4 interest in solar production. We're also
5 becoming, or it appears that we're becoming an
6 ethanol industry. We have just recently permitted
7 two ethanol plants, one 100 million and one 60
8 million and we have five more on the drawing
9 board, the next two coming up within the next six
10 months probably.

11 Our county originally didn't feel that
12 because of the way our general plan was structured
13 that we needed SB 1059, certainly our Board didn't
14 feel that. Again, because of the fact that we
15 worked with the CEC ever since the early '70s in
16 creating the geothermal element and then
17 subsequently the geothermal transmission element,
18 and we have just updated, as I indicated, in 2006.

19 The Imperial Irrigation District is the
20 local utility provider. They provide both the
21 primary water source to the county as well as the
22 electrical energy for the county. And in
23 conjunction with their efforts is what we did last
24 year in updating the geothermal transmission
25 element. And this element calls for the

1 protection of existing corridors that are located
2 within the population areas and also provides for
3 future needs, while still allowing adequate
4 development and protection of our agricultural
5 resource.

6 This is basically a very confused slide
7 but it shows the, what they call the KGRAs, the
8 known geothermal resource areas along with the
9 various transmission corridors that were
10 established in the element.

11 And again, we have been working with the
12 new element with some of the new transmission
13 corridors that I'm sure you've heard about. And I
14 won't bore you with those details but they include
15 the Sunrise Power Link. They include other
16 transmission capabilities, the Devers link between
17 the IID and LA and the Green Path.

18 And not that these have not gained a lot
19 of press and notoriety but again, as I indicated
20 earlier, the Board is committed to supporting
21 power generation facilities and thus has to be on
22 Board to support transmission elements.

23 Again, our Board is more than willing
24 and anxious to work with the CEC. And basically
25 they ask, and as I just heard from the BIA

1 representative and from some of the others, that
2 this needs to be a balance between all of the
3 entities and not impose an undue burden on any
4 particular agency.

5 Again, earlier I mentioned that Imperial
6 County is about 3.3 million acres, two-thirds
7 being federal. And as you can see from this slide
8 we have military target ranges, federal lands
9 managed primarily by the BLM and then the
10 sovereign nations, both the Torres-Martinez and
11 the Quechan on either side of the county.

12 Again, we are concerned with the impacts
13 these corridors could have. We recognize their
14 need. Our agricultural community is always
15 concerned with any type of transmission corridor
16 because of the aerial applications that they face
17 and the other restrictions. Our county is also
18 concerned because of potential economic impacts if
19 they restrict potential urban development in the
20 areas that we have identified.

21 This is a request by our Board that we
22 should have the stakeholders be informed, have a
23 report that shows why generation capacity cannot
24 be achieved locally.

25 And again I have to emphasize here one

1 of our biggest concerns during the last two years
2 has been with power plants being located in Mexico
3 and of course the clean air issues and things that
4 go along with it. Most of our supervisors have
5 indicated that those same power plants, if built
6 on this side, would not have had our opposition as
7 long as they met all of the standards.

8 And with that I would be happy to answer
9 any questions, thank you.

10 ASSOCIATE MEMBER GEESMAN: Thanks very
11 much, we appreciate you being here today. And
12 obviously we have had a very beneficial
13 relationship over the course of the last 30 years
14 and hope to continue that and enhance it through
15 this process.

16 MR. HEUBERGER: Thank you.

17 ASSOCIATE MEMBER GEESMAN: Your
18 participation here this morning is a big step in
19 that direction.

20 MR. HEUBERGER: Thank you.

21 ASSOCIATE MEMBER GEESMAN: Thanks.

22 MR. BARTRIDGE: What we are going to do
23 now is, for the people in the room and the callers
24 on the phone, open up for questions here of the
25 last five presentations. We'll do a short 10, 15

1 minute question and answer period for those in the
2 room and on the phone. I think we should start
3 with those in the room so folks on the phone can
4 hear the questions. I am going to turn that over
5 to Chris Tooker. And again, these are questions
6 specific to the presentations you may have just
7 heard.

8 MR. TOOKER: My name is Chris Tooker, I
9 am a member of the staff team doing the outreach
10 on SB 1059. I also had the pleasure of being a
11 member of the staff team that developed the
12 original legislation and worked through the
13 legislative process with a number of you to come
14 to where we are today.

15 The staff felt that Jim deserved a
16 little bit of a break today. He's been pretty
17 busy putting this all together so I'm here to help
18 facilitate the Q and A in this section with the
19 agencies. So this is a time for those of you in
20 the audience if you want to come forward, or
21 Commissioners or those on the phone, to ask
22 questions of those speakers we have heard from so
23 far. Well, okay.

24 ASSOCIATE MEMBER GEESMAN: I have a
25 general question and I am not certain that anybody

1 here knows the answer to it. But I know Imperial
2 County has a transmission element to their general
3 plan. Are there other counties that do? I have
4 not heard of it previously.

5 MR. TOOKER: I have dealt with land use
6 issues here and regionally and my experience has
7 been that local counties typically have
8 transmission elements or energy elements in their
9 general plans when they have a local utility such
10 as SMUD or IID or others that provide that input
11 to them. Oftentimes rural counties don't unless
12 they have energy resources. Jim?

13 ASSOCIATE MEMBER GEESMAN: Terry, you
14 look like you were moving to the mic.

15 MS. ROBERTS: I just wanted to comment
16 on that. In my experience I haven't seen a lot of
17 general plan elements that are explicitly about
18 transmission alone. If transmission is addressed
19 in the general plan it might be in a broader
20 energy element or something like that.

21 ASSOCIATE MEMBER GEESMAN: Yes.

22 PRESIDING MEMBER PFANNENSTIEL: I know
23 last year when we were looking at the 2006 IEPR
24 update and we addressed the question of land use
25 in general plans we heard that, in fact, few

1 general plans even included an energy element.

2 MS. ROBERTS: I think, more common than
3 an energy element or a transmission element one
4 might find in the land use element or in the
5 zoning coordinates itself a designation for major
6 utility types of construction, which could be
7 everything from a substation to a transmission
8 line to whatever. So that's sort of a generic
9 catchall that might include transmission
10 facilities.

11 PRESIDING MEMBER PFANNENSTIEL: No
12 questions on the phone? Here's a question.

13 MS. BOICE: Do you want me to walk up to
14 the microphone?

15 PRESIDING MEMBER PFANNENSTIEL: Yes,
16 please go to the microphone so it can be recorded.

17 MS. BOICE: Okay.

18 UNIDENTIFIED FEMALE SPEAKER VIA
19 TELEPHONE: I'm looking at the 2006 updated --

20 PRESIDING MEMBER PFANNENSTIEL: I'm
21 sorry, is there somebody on the phone with a
22 question? I'm sorry, go ahead.

23 UNIDENTIFIED MALE SPEAKER VIA TELEPHONE:
24 Yes. Will the Imperial Irrigation District's
25 presentation be available on the web?

1 MR. BARTRIDGE: The presentation will be
2 available after the workshop on the web.

3 ASSOCIATE MEMBER GEESMAN: And the
4 presentation was from the county of Imperial, not
5 the Irrigation District. We'll hear from the
6 Irrigation District I think later.

7 UNIDENTIFIED MALE SPEAKER VIA TELEPHONE:
8 Okay, thank you.

9 MS. BOICE: My name is Barbara Boice, I
10 am an intern with Sac State up on the fourth floor
11 with Chris Tooker.

12 My question is, is there any kind of a
13 map that we can have to see the proposed corridors
14 that -- the new ones or the ones that are being
15 proposed that maybe aren't already out but being
16 proposed? That's all, thank you.

17 ASSOCIATE MEMBER GEESMAN: I think there
18 is a preliminary environmental impact statement
19 under preparation in the federal government's 368
20 process. We don't envision getting to that same
21 level of identification here but the federal
22 process I think over the course of this calendar
23 year will be releasing a map.

24 MR. BARTRIDGE: They will be. They are
25 expected to release that federal PEIS in the

1 spring. We are just at the early stages of 1059.
2 We don't have a map yet, we are just listening at
3 this point. The last updated map the feds put out
4 was July of last year. It doesn't reflect changes
5 that occurred from some webcasts that our
6 interagency group did in October but we are
7 expecting the draft to be issued some time in the
8 spring.

9 MR. TOOKER: I'd like to talk a little
10 bit more about that too. I think one of the
11 differences between the federal process and the
12 state process would be a federal process has an
13 obligation to look at all federal lands and to
14 identify potential corridors and designate
15 corridors on federal lands throughout the state,
16 throughout the nation, for that matter.

17 In this process we're going to be
18 designating individual corridors based on those
19 proposed to us by utilities or others. Or
20 potentially corridors identified by the Commission
21 that they would pursue designation on their own
22 motion. So we would not be establishing a
23 statewide set of transmission corridors all in the
24 same process at the same time.

25 MR. BARTRIDGE: Okay, and if there's --

1 Any other questions? No? Okay. With that I'll
2 ask the parties at the table to go ahead and leave
3 the table and we'll add other folks.

4 Commissioner, do we want to take a short
5 break?

6 PRESIDING MEMBER PFANNENSTIEL: Go
7 ahead. For like ten minutes.

8 ASSOCIATE MEMBER GEESMAN: Okay.

9 PRESIDING MEMBER PFANNENSTIEL: We'll be
10 back.

11 MR. BARTRIDGE: Why don't we go ahead
12 and take a short ten minute break. Allow us to
13 change things up and we'll see you back here in
14 ten minutes.

15 (Whereupon, a recess was taken
16 off the record.)

17 PRESIDING MEMBER PFANNENSTIEL: Always a
18 good start.

19 ASSOCIATE MEMBER BYRON: Madam Chair,
20 while Mr. Guliassi is approaching the podium I
21 apologize for not being here until 10:30.
22 However, I was with you via telephone since 9:30
23 so I have had the benefit of hearing --

24 PRESIDING MEMBER PFANNENSTIEL: We
25 thought we heard train tracks.

1 ASSOCIATE MEMBER BYRON: No, no, no, I
2 was using another corridor at the time.

3 MR. GULIASI: Well let me first thank
4 the Committee for the opportunity to include PG&E
5 in this important discussion. I also want to
6 thank Jim Bartridge and Chris Tooker and the rest
7 of the staff for the opportunity to discuss some
8 of these issues with them in their stakeholder
9 outreach effort earlier a few months ago in
10 preparation for this workshop.

11 My overview presentation is intended to
12 identify some of the key issues from PG&E's
13 perspective for implementing 1059 and the
14 Commission's role in designating transmission
15 corridors through the rulemaking proceeding.

16 It has been interesting to hear some of
17 the comments thus far this morning. I am
18 interested in hearing what others have to say and
19 I think what I have to say pretty much comports
20 with what others have been saying thus far.

21 The two points I want you to take away
22 from my presentation are first, designating a
23 transmission corridor may help to identify and
24 possibly address some of the key issues up front.
25 For example, some of the key environmental issues

1 that may need to be mitigated.

2 But corridor designation itself may not
3 solve many of the most contentious land use and
4 social issues that we confront in transmission
5 planning and transmission siting.

6 The second important point is that
7 coordination among local, state and federal
8 agencies is absolutely necessary, it's critical,
9 and strong effective project management by the CEC
10 is crucial if the corridor designation process is
11 to be successful.

12 This slide provides a basic outline of
13 my presentation. First I am going to talk a
14 little bit about the need for regulatory agency
15 coordination. Second I am going to talk a little
16 bit about resource and transmission planning
17 processes.

18 Next I am going to talk, reflect upon
19 environmental review and siting as it relates to
20 corridor designation and finally I am going to
21 identify a few issues and concerns, specifically
22 those questions that the staff posed in the
23 workshop notice that I didn't or that I don't
24 explicitly or even implicitly address in the rest
25 of my presentation.

1 As I stated at the outset, regulatory
2 and agency coordination is absolutely key if the
3 corridor designation process is going to work.
4 I've noted here the intent of Senate Bill 1059,
5 which we have already covered so I can skip that.

6 What I've listed next in the third
7 bullet is the array of transmission planning and
8 siting authorities that exist in California or
9 that anybody interested in building a transmission
10 line has to deal with in the state of California.
11 As you can see, there are multiple entities that
12 have to be dealt with and coordination is
13 absolutely key.

14 We have the California Transmission Plan
15 process through the California ISO. We have the
16 CPUC from the perspective of an investor-owned
17 utility governed by General Order 131D. We have
18 the US Department of Energy, we have the Federal
19 Energy Regulatory Commission for cost recover and
20 for other siting purposes. We have various
21 federal agencies, we have various state agencies
22 and there are also local jurisdictions and dealing
23 with their general plans.

24 Even under the best of circumstances
25 coordination is difficult. And as I said earlier,

1 to the extent that the Energy Commission can play
2 a strong and effective role in managing this
3 process, that's the only way that we're going to,
4 I think, to succeed if this process is going to
5 work at all.

6 When we're thinking about corridor
7 designation or siting transmission lines I think
8 it is important just as a preliminary matter just
9 to step back for a second and ask ourselves the
10 question, what problem or what issue are we
11 dealing with? What problem are we trying to solve
12 in designating a transmission corridor? Are we
13 trying to relieve congestion, are we trying to
14 advance a policy objective, for example, access to
15 renewables as we stated earlier, or is there some
16 other strategic reason?

17 So what I am suggesting here is that at
18 the outset it is important just to stop and ask
19 yourself the question, what issue are we trying to
20 address, when you think about setting aside land
21 for future transmission development.

22 Another important point is I think it is
23 important to go back to basics here. I think we
24 need to embrace the notion of integrated resource
25 planning. In that integrated resource planning

1 process it is important to abide by the principles
2 wherein you look at alternatives. You consider
3 the trade-offs, you evaluate those trade-offs to
4 find the right solution, you look at costs and
5 benefits, you've demonstrated need.

6 And if transmission is the preferred
7 solution that's where you go. But you really need
8 to go through that planning process before you
9 decide that transmission is the preferred
10 solution.

11 Whatever process the Energy Commission
12 comes up with through the rulemaking proceeding we
13 think it's imperative that you make full use of
14 existing planning processes that we're engaged in.
15 For example, with the California ISO or the WECC.
16 And that you take into account and benefit from
17 the various studies that have been performed in
18 these transmission planning processes to inform
19 whatever corridors you may want to designate.

20 Next I want to touch on briefly some of
21 the questions of corridor designation and how to
22 deal with some of the environmental review and
23 siting issues.

24 From the perspective of an investor-
25 owned utility, which ultimately must receive

1 approval from the California Public Utilities
2 Commission to built a major transmission line, a
3 successful corridor designation process hinges on
4 coordination with the CPUC. It is absolutely
5 essential.

6 There are benefits from designating
7 transmission corridors. One of the key benefits
8 is that through the process you can really
9 identify some of the environmental and land use
10 issues that you have to deal with, and I think
11 another benefit is that it allows you to reach
12 agreement up front on some of the constraints and
13 necessary mitigation.

14 The process should focus at a
15 programmatic level if it's going to streamline the
16 transmission siting process at all. Land use and
17 community issues are very difficult to manage and
18 I just want to express the concern that we have
19 that the corridor designation process may not
20 really do much to expedite future siting.

21 Again, these are tough issues. They are
22 often referred to as NIMBY issues. But I just
23 don't want people to leave with the impression
24 that by designating corridors you've alleviated
25 many of the concerns. I think these concerns are

1 real and they're the most thorny of the many
2 issues you have to deal with.

3 In contrast though I think that
4 environmental issues might be expedited to the
5 extent that you can address environmental issues
6 up front and the CEC can assist in reaching
7 agreement with the many resource agencies, with
8 the CPUC and others. We have an opportunity here
9 to streamline the overall transmission siting
10 process.

11 So I think there is much to be gained
12 here on the environmental side but I am a little
13 bit more pessimistic about resolving land use and
14 community issues and social issues through the
15 corridor designation process.

16 A final point is that in designating
17 corridors it is important for you to include
18 existing land use planning. To the extent that
19 you can you should incorporate habitat
20 conservation plans and local general plans. And
21 the corridor designation process is an opportunity
22 for you to identify open space and agricultural
23 land preservation.

24 So just to wrap up a little bit. The
25 first recommendation I have for you is really to

1 avoid duplicative efforts and bureaucratic
2 inefficiencies. As we saw before there are
3 multiple regulatory authorities and agencies
4 involved in this process. It is going to take
5 very skillful, careful project management by the
6 CEC.

7 You re going to need to coordinate
8 closely with the CAISO and the CPUC, again
9 speaking from the perspective of an investor-owned
10 utility. And you are also going to need to
11 coordinate very closely with local jurisdictions
12 as well as the state and federal resource
13 agencies.

14 What I wanted to do next is just close
15 by touching on a few of the questions that the
16 staff posed in the workshop notice. The questions
17 that I really didn't address in my earlier
18 remarks. And these are a few of them.

19 The staff asked the question about what
20 planning horizon should we use for corridor
21 designation. I think that's a very important
22 question. I think that is something that really
23 needs to be discussed and debated. Currently we
24 typically use a ten year planning horizon. We're
25 thinking about extending that beyond ten years.

1 Of course there is more focus and
2 attention given to the first five years of those
3 plans but I think the whole issue about whether we
4 need to extend the planning horizon beyond ten
5 years is a very important question and I think
6 we'll find that the answer is yes. Should it be
7 12 years, 15 years, I'm not sure but that is an
8 issue that deserves a lot of attention and active
9 debate.

10 In the corridor designation process it
11 is imperative that you use the principles of an
12 open planning process. I talked a little bit
13 before about the stakeholder processes that exist
14 at the WECC and the CAISO. We talked about the
15 need for looking at an integrated resource, taking
16 an integrated resource planning approach to look
17 at various alternatives to perform cost benefit
18 analysis and to identify what the objective is
19 before coming up with a preferred solution. This
20 needs to be done in an open process.

21 The third thing is the staff asked about
22 what impediments might there be to having a
23 successful process. Well I think the key here is,
24 again, agency coordination. You have to take a
25 leadership role in ensuring that all stakeholder

1 input is considered and coordination among the
2 various state, federal and local agencies is taken
3 into account. And what is really key here is
4 local level buy-in.

5 Finally, it is important in your process
6 to ensure that there is an amendment process or
7 periodic review. Things change, information
8 becomes stale, so you need to keep the process
9 alive, keep it fresh. You need to continue to
10 engage with the California ISO as studies are
11 done, new studies are done, and as plans change
12 and as conditions change.

13 And I guess there is one final thing
14 that I forgot to put on the list here but
15 Commissioner Geesman, you reminded me. You asked
16 the representative from the California Public
17 Utilities Commission for an opinion about land
18 banking. I can shed a little bit of light on
19 that. I actually spent a considerable amount of
20 time in the 2005 IEPR process on this issue and
21 had very constructive discussion with staff.

22 I actually researched a little bit about
23 the Public Utilities Commission's directive
24 prohibiting utilities from keeping land in
25 ratebase beyond a five year period.

1 Those decisions arose from Southern
2 California Edison and PG&E rate cases in the
3 1980s. The Division of Ratepayer Advocates at the
4 time took a look at plant held for future use and
5 found that the utilities had in ratebase for many,
6 many years land that they had considered using
7 mainly for power plant development. But this was
8 at a time when much power plant development wasn't
9 happening.

10 The critique was that the utilities were
11 just earning on land that was of no use to the
12 rate payer. So the Commission with the
13 cooperation of the utilities went through a very
14 detailed process to clean up the accounts and
15 remove from ratebase, land. The utilities went
16 through large efforts to sell unused land.

17 Much of that land, again, was for power
18 plant development, perhaps some for substation
19 development, not very much for transmission line
20 development. But I think in light of what is
21 happening today and the concern that we're dealing
22 with here for setting aside land for future use
23 for transmission purposes, especially to the
24 extent that there is an important public purpose
25 here, it's time to review that policy.

1 And this is only a guess but I think
2 that there would be an open mind at the Public
3 Utilities Commission to the extent that you as an
4 agency, you know, speak about this issue and have
5 them recognize the importance for the public
6 benefit for holding land for future use.

7 So that concludes my presentation.
8 Again, thanks for the opportunity.

9 ASSOCIATE MEMBER GEESMAN: Less, thanks
10 for your remarks.

11 I guess one of the things that I'd ask
12 your company to do in reviewing some of the issues
13 that you've raised would be to go back and look at
14 several of the transmission CPCNs that you've
15 gotten over the course of the last four or five
16 years.

17 I am not certain that any of them would
18 rise to the level of magnitude where you'd think
19 that a state corridor designation process would be
20 of assistance but I'd pose the questions that
21 you've identified for us to those projects and ask
22 whether a state designation process could have
23 assisted the licensing of any of those particular
24 projects.

25 And the ones that I'm thinking of are

1 Jefferson Martin or Tri-Valley or some of those
2 that have been more notable in terms of the public
3 attention that they have developed but there may
4 be others as well.

5 And I think the real, the real issue is
6 whether, if ten years ago the state had had SB
7 1059 in front of it would there have been some way
8 to more intelligently identify and hopefully
9 resolve, or at least partially resolve, early
10 environmental issues or early land use conflicts
11 such that the actual licensure would have been a
12 lot smoother.

13 MR. GULIASI: We have given that some
14 thought and I think the answer lies in what you
15 said in your early, in your opening remarks about
16 you weren't sure if those projects would have
17 risen to the level of -- the need for a --

18 ASSOCIATE MEMBER GEESMAN: Yes, they may
19 be much more localized in terms of their impact.

20 MR. GULIASI: And reflecting on those
21 and having participated in some of those, those
22 efforts, I think the answer is no. They weren't
23 corridor designation issues, they really had to do
24 with the normal course of business to ensure
25 future reliability, especially in high-growth

1 areas, like in the tri-valley case in particular
2 or in the Jefferson-Martin case for a need to
3 ensure reliability in San Francisco, a peninsula
4 that has pretty limited access to resources of
5 generation and transmission. And then of course
6 we brought in, you know, the desire to retire the
7 old Hunters Point power plant.

8 But I don't think that -- I don't think
9 the corridor designation process per se might have
10 helped. But just off the top of my head I think
11 having public attention and state government
12 attention placed on the importance of
13 transmission, the whole corridor designation
14 process may assist. It would just heighten the
15 awareness among the public as well as among the
16 local, state and county officials to the
17 importance of these projects.

18 So I think it could be helpful but I
19 don't think that those projects per se really lend
20 themselves to corridor designation. Again, that
21 addresses the comment I made about stop and think
22 about what we are trying to address here. If it
23 is an over-arching public policy issue such as
24 access to renewables I think, you know, corridor
25 designation is the right way to go. But if it's

1 just for the, kind of the normal run-of-the mill
2 transmission project to ensure future reliability
3 then I don't think corridor designation is the
4 process.

5 ASSOCIATE MEMBER GEESMAN: Thanks very
6 much.

7 PRESIDING MEMBER PFANNENSTIEL: Les, you
8 mentioned that your skepticism, your pessimism
9 about 1059 was largely based on NIMBY-ism or
10 community issues and you weren't sure that this
11 was a way of really addressing that.

12 Does PG&E, when you do have a major
13 transmission corridor of land that you own is the
14 use of that land before transmission is built
15 available for public open space, public parks,
16 public access?

17 MR. GULIASI: I'm not sure I understand
18 your question. Are you saying when we --

19 PRESIDING MEMBER PFANNENSTIEL: If you
20 have -- As you were talking about the land
21 previously that was held for power plant use, for
22 example, that wasn't used. But in this case if
23 you had land held for future transmission use
24 would that land be made available for public use?
25 For parks, for example, recreation.

1 MR. GULIASI: Well it could. If you're
2 talking about utility-held land per se it could.
3 We've faced situations wherein, you know, a local
4 jurisdiction sought the opportunity to find an
5 alternative use for the land than our original,
6 you know, design.

7 If land is being held by the utility for
8 future use and it's just sitting there unused
9 sometimes communities or cities have asked us to
10 consider turning that land over, selling that land
11 for some other public use.

12 PRESIDING MEMBER PFANNENSTIEL: But even
13 if PG&E owns it. It's not turned over to anybody
14 but it could be -- if it's enough and if it's a
15 nice location it could be opened for trails or
16 park land or, even with PG&E as an owner.

17 MR. GULIASI: That's true, and we have
18 made those kind of accommodations.

19 PRESIDING MEMBER PFANNENSTIEL: And then
20 if transmission lines are in fact built on that
21 land would it then be precluded from use or is
22 there some amount of it that could still be used
23 for open space use?

24 MR. GULIASI: I don't know specifically
25 what ordinances or restrictions we have but I know

1 of instances where we do make transmission
2 corridors available for public use. For bike
3 paths, for parks and so forth. There you have to
4 just work with the local jurisdictions as well as
5 the Public Utilities Commission to ensure that,
6 you know, that public safety is managed.

7 PRESIDING MEMBER PFANNENSTIEL: Sure.

8 MR. GULIASI: And the usual --

9 PRESIDING MEMBER PFANNENSTIEL: But I
10 guess what I'm suggesting here is that ownership
11 of this land being held for perhaps future
12 transmission corridor may not be a negative from
13 the local community. It may in fact be something
14 that can be used by the local community.

15 MR. GULIASI: I agree. I think you can
16 find win-win situations where a broader public
17 goal or need is met as well as, you know,
18 providing access to the use of land for recreation
19 or, you know, or just for preservation.

20 PRESIDING MEMBER PFANNENSTIEL: Right.

21 MR. GULIASI: You know, for beauty and
22 that sort of thing.

23 PRESIDING MEMBER PFANNENSTIEL: Thank
24 you.

25 MR. GULIASI: You're welcome.

1 ASSOCIATE MEMBER BYRON: Madam Chair,
2 Mr. Guliassi, usually a very optimistic person, I
3 think we're all picking up on the same thing. The
4 comment you made about being somewhat pessimistic
5 about state corridor planning for land use. You
6 know, addressing land use issues as well as public
7 perception. If I understood you correctly it was
8 okay or it's good for corridors for renewables,
9 access to renewables sites. But you're
10 pessimistic about those other two options, is that
11 correct?

12 MR. GULIASI: Well I think what I'm
13 trying to say is that I think we have to be, you
14 know, aware that designating corridors may not
15 resolve NIMBY issues or, you know, the tough
16 social issues that you encounter when you want to
17 set aside land and you want to put a transmission
18 line, you know, on a path.

19 They are very emotional issues, you
20 know. I mean, you know, the whole array of
21 issues. And I just think that we have to not fool
22 ourselves into thinking that because we designate
23 a corridor we're going to solve all those
24 problems. I think, you know -- The positive side
25 is that I think by designating a corridor you have

1 the opportunity to identify some of those issues
2 up front and you have the opportunity to start
3 working through some of those issues well in
4 advance of the time when you say, okay, here is
5 the specific plan to put the transmission line in.
6 But, you know, let's just not fool ourselves into
7 thinking that we're going to, you know, solve
8 these problems early on.

9 ASSOCIATE MEMBER BYRON: Okay.

10 MR. GULIASI: We can identify them, we
11 can work toward addressing them, but we may not
12 find ourselves with a more expedited process by
13 designating a corridor.

14 ASSOCIATE MEMBER BYRON: Okay, thank
15 you. Can we count on PG&E's continued involvement
16 in this 1059 process?

17 MR. GULIASI: Absolutely.

18 ASSOCIATE MEMBER BYRON: Thank you.

19 MR. GULIASI: You have my guarantee.

20 ASSOCIATE MEMBER BYRON: Thank you.

21 MR. BARTRIDGE: Thanks Les.

22 Next up, Tom Acuña, San Diego Gas &
23 Electric.

24 MR. ACUÑA: Good morning, Honorable
25 Commissioners and fellow stakeholders. I'm Tom

1 Acuosa and thank you for having us here today.

2 SDG&E supports your efforts. We think
3 it's time that somebody steps in and helps
4 coordinate between local government, the
5 California Public Utilities Commission, the ISO.
6 We think this is a great effort on your part. And
7 we want to thank Jim Bartridge and all the CEC
8 staff for their outstanding outreach efforts to
9 San Diego Gas & Electric Company. So thanks.

10 All right. So the way we patterned our
11 presentation here is that we tried to answer the
12 questions that were posed by CEC staff. One of
13 the questions was, what did we think about the
14 objectives of 1059. And one of the things that we
15 think is an outstanding idea is that purpose, need
16 and location of transmission projects is
17 predetermined.

18 One of the things when we're permitting
19 larger projects, transmission projects, people
20 question, do you really need to build this line.
21 So we think that when the CEC approaches that
22 they're going to have, that adds credence to what
23 we're doing at the utility level, at the CPUC
24 process.

25 The second thing is is we think that

1 coordinating all energy plans with the responsible
2 agencies, whether it's the Forest Service, the
3 BLM, military lands and others is very important.
4 Sometimes I think agencies all have an objective
5 and that is stewardship of lands that they're
6 entrusted with managing. And sometimes their
7 policies don't always match the greater good of
8 what needs to be done. And I think that's where
9 the CEC can play a big role in helping manage what
10 the other state, local and federal agencies are
11 doing.

12 We support and we hope that you can gain
13 the acceptance of local jurisdiction. We think
14 that's probably one of the most difficult
15 challenges that you face is gaining support from
16 them. So I think your outreach program in gaining
17 their support needs to -- I would encourage CEC
18 staff to develop some new ways to do that.

19 I think the final point on the general
20 comments is that the ISO plays a very important
21 role for all of us utilities and providers of
22 energy. Annually we give them information on
23 where we think our needs are and they develop a
24 plan but what is not developed is connecting the
25 dots. And that's what we think the CEC can do is

1 help connect the dots of where transmission
2 infrastructure is needed.

3 Our planning comments. We believe that
4 corridor designation should really go beyond ten
5 years. I don't have an exact time amount of
6 what's the proper years that should be looked into
7 but we think that it should be greater than ten
8 years.

9 We support corridor designations having
10 periodic review just like a city's general plan.
11 We don't want -- I don't think it serves the
12 public letting these plans go stale so we're going
13 to have to determine some sort of periodic
14 adjustment where we can take into concern changes
15 that have come about.

16 The third bullet here is how can we
17 enforce and protect the corridors that you do
18 designate. In reading 1059 it seems that the
19 approach is to work collaboratively with local
20 jurisdictions to gain their support. And I hope
21 that as we work through this that when there is a
22 disagreement, when there is a conflict that the
23 CEC can find a way to work with the local
24 jurisdiction and at the same time protect the
25 corridors that they have designated.

1 We have some suggestions here on
2 priorities when you do do your designations. We
3 think that reliability is your top goal here. The
4 next one would be making sure that we have access
5 to renewables. And that when you do consider
6 where you're going with your designation process
7 consider the cost and schedule. Some projects
8 will be a little more feasible than others and
9 sometimes it's based on cost and schedule.
10 Sometimes a schedule will be very critical. So
11 please, take that into account as you designate
12 your corridors.

13 Impediments. What kind of things, what
14 kind of challenges do we think you will face as
15 you go through this process? One of our concerns
16 is duplication of processes. Currently a
17 transmission project is we work with the CPUC
18 under 131D. We are concerned that perhaps a
19 designation requirement might come about and that
20 we would have to do, a project would have to go
21 through two processes. So anything you can do to
22 help streamline or keep things streamlined would
23 be appreciated.

24 I already discussed a little bit about
25 the enforcement authority.

1 Increased costs. I think 1059 has a
2 clause there that local government gets
3 reimbursed. We don't have an objection to that,
4 we just want careful management of how our utility
5 dollars are spent when supporting this effort.

6 Stakeholder lawsuits is another issue.
7 We think that as you go through your process and
8 as you designate these corridors there are a great
9 number of stakeholders who have concerns, either
10 through the CEQA process or through the
11 description of your project purpose and need that
12 can potentially slow down your process.

13 Lack of preemption is another issue.
14 That goes back to the general plan a moment ago.
15 A local government is not required to make your
16 energy plan or designation part of their energy
17 plan. So that, if you had the authority, the
18 strength of the CPUC for say, that might help.

19 Another issue is ratebasing for vacant
20 land. Right now we can only purchase land five
21 years in the window. We would ask that you take a
22 look at that. Maybe there is a way we can
23 lengthen it to make it consistent with your own
24 plan in terms of years.

25 The CPUC will still require a purpose

1 and need. It would be nice if the CEC purpose and
2 need kind of got us through that part of the
3 licensing of a new transmission line. So if you
4 could work on that, that would help us.

5 Another concern I think I've heard today
6 already is there is no mechanism for evaluating
7 competing projects. It might be that San Diego
8 Gas & Electric works with CEC staff and we
9 designate a corridor together and then three or
10 four years down the road another utility, maybe a
11 municipalization, would desire to use that
12 corridor and maybe SDG&E would not be able to use
13 the corridor. So we need to develop methodology
14 for resolving those kinds of priorities and
15 issues.

16 Regarding permitting we believe the CEC
17 process might narrow the alternatives examined in
18 the 131D process of the CPUC. I think that's a
19 good thing. We'd hope that the CPUC will accept
20 your purpose and need and we are very hopeful that
21 the CPUC does not delay the licensing of projects
22 currently going through a CEC designation.

23 Our recommendations here are
24 coordination between CEC, CPUC and the ISO
25 strategic plan. We are supportive of not having

1 duplicative processes if you can avoid it.

2 And there is a bullet here that was left
3 out. We would encourage designation of existing
4 transmission corridors even as low as 69 kilovolt.
5 That would help preserve the existing
6 infrastructure that we have, and if we have to
7 upgrade to a greater voltage then we would have
8 those designated corridors.

9 And the final bullet here is that we
10 were wondering and we would like staff to look
11 into this. If the plan that you ultimately
12 develop, would it be possible that that could be
13 brought forth to the CPUC and that they might
14 adopt it. So that over the years their adoption
15 of your plan will take care of our preemption
16 discussion I was talking about a few moments ago.

17 So those are the key points. Again,
18 thank you very much for having SDG&E here today.
19 This concludes my presentation and if I can answer
20 any questions I'd be happy to do so.

21 ASSOCIATE MEMBER GEESMAN: Thanks for
22 your comments, Tom. I think that because your
23 company has been in the front lines on the public
24 controversies surrounding the last couple of
25 transmission projects proposed you probably have a

1 more acute awareness of some of the problems that
2 state government has presented and potentially
3 some of the solutions.

4 I think your idea about closer
5 coordination between the three agencies is a very
6 good one. And I would challenge you and the other
7 utilities, and for that matter anyone else
8 involved in this process, to come back to us with
9 suggestions as to how we can accomplish that in a
10 CEQA-consistent way.

11 I for one do strongly believe that the
12 ISO plan should form the core of our planning
13 assumptions. At the same time the ISO not being a
14 CEQA agency or not being a state agency can't
15 really attach any CEQA significance to its
16 determination of needs. So what we've talked
17 about internally has been trying to figure out a
18 way to so entwine our two planning processes that
19 we can create a determination of need that does
20 have some CEQA significance to it.

21 I also think that if each of the
22 companies, and for that matter any other parties,
23 could think through whether or not a combination
24 of the Energy Commission process and the CPUC
25 process could somehow attain a CEQA equivalence

1 certification such as our power plant siting
2 process enjoys, would that be of benefit.

3 An easy way potentially to at least
4 separate the conceptual jurisdictions of the CPUC
5 and the Energy Commission might be to have the
6 Energy Commission focus on the real estate, the
7 land use aspects and environmental issues stemming
8 from those land use aspects, and the CPUC
9 determination focus on the poles and wires
10 decisions. Those are separated in time, I think,
11 especially if you use the longer planning horizon.

12 Now CEQA doesn't allow you to piecemeal
13 decisions but it would occur to me that on any one
14 of these projects state government is probably
15 making a handful of different CEQA significant
16 decisions. And making them over a period of time
17 might be wiser than the current approach that we
18 have where everything is compressed into one giant
19 nuclear superbowl proceeding among lawyers.

20 So I'd invite your company and the other
21 utilities and any other parties to think through
22 some of those questions and come back to us as we
23 continue in this process. Because we very much, I
24 think, would benefit from your thinking.

25 MR. ACUÑA: Thank you very much. I

1 think those are great ideas. I think my team is
2 very much wanting to look into developing some
3 ideas with CEC staff. I think you are right on
4 the money, thank you.

5 Are there any other questions? Thanks.

6 PRESIDING MEMBER PFANNENSTIEL: Thank
7 you.

8 MR. BARTRIDGE: Next up John Leeper,
9 Southern California Edison.

10 MR. LEEPER: Commissioners, staff,
11 ladies and gentlemen in the audience. I would
12 also like to thank you for inviting me to come
13 here and provide input to this important activity
14 that the CEC is undertaking.

15 First of all I would like to say Edison
16 as a company is very supportive of this initiative
17 and sees it as something that would provide great
18 value going forward if implemented properly.

19 We would -- I think we have addressed a
20 few of the issues. We have also looked at the
21 questions that were sent out to the pre-conference
22 and have tried to woven answers to those within
23 the presentation. But we'll be following up with
24 some formal response to those questions later.

25 But anyway, with that I'll go forward.

1 And by the way, my name is John Leeper, I work for
2 Southern California Edison.

3 As I said earlier we are very supportive
4 of this endeavor and we are hopeful that this can,
5 in fact, streamline system planning or planning
6 and permitting.

7 As most everybody knows here we are in
8 an unprecedented time in our history where we're
9 expanding our grid, both in improving our existing
10 infrastructure and expanding our infrastructure to
11 meet the needs of our customers, and also to
12 follow some of the objectives of the state to
13 increase our use of renewable and alternative
14 generation.

15 And unfortunately that does require
16 siting of new transmission lines. As was pointed
17 out earlier, most of those facilities are going to
18 be in remote rural areas where we currently do not
19 have facilities to interconnect with.

20 I think that we've also heard that this
21 process should be beneficial to the stakeholders
22 as we go forward. And in order to be successful,
23 because there is going to be realistically a time
24 and effort required by all stakeholders to
25 participate in this, and which we fully want to.

1 But I think the payback for that is there is some
2 benefit to the process going forward when we get a
3 more formal project.

4 And I guess in that line, in that regard
5 I'd like to say that these designated corridors
6 should be, if possible, identified as the
7 preferred route as part of the CPCN process. I
8 think I heard earlier, I'm not sure who made the
9 comment, but you know, there might be designated
10 corridors and then you would need to provide
11 alternate corridors outside of the designated
12 corridors.

13 I guess I'd like to encourage the
14 Commission to see if that cannot, that issue
15 cannot be, you know, can be addressed in this
16 rulemaking so that when a corridor is designated
17 the CPCN can also focus on that alternative and
18 how that best meets the needs.

19 Also I think we also heard a concern
20 raised, and we have that as well, that these
21 corridors be sufficiently wide to provide project
22 siting alternatives for a variety of projects.
23 Because I see this strategic corridor process
24 being in advance of a specific need. These are
25 looking at general needs.

1 We know where there are renewable areas.
2 We have heard Imperial County talk about some of
3 their geothermal resources. We know there are
4 some solar projects in the Southern or Western
5 Nevada area and other parts outside our service
6 area. So what we would like to do is make sure
7 that these corridor designations provide for these
8 alternate projects that may want to use the
9 corridor going forward.

10 And also I think along what we heard
11 also, one of the Commissioners questions is, we
12 see a strong synergism between the corridors and
13 the needs of counties and cities and environmental
14 groups for open space. We see that compatible
15 uses would be very positive to all stakeholders
16 involved.

17 Like I said, we do not want, obviously,
18 that those open spaces then preclude the intended
19 use of that corridor. But we see and we do
20 actively have a program in our utility to work
21 with cities and counties in using transmission
22 right-of-ways for open space needs and uses within
23 their community. So we see that as very positive
24 and something that should be considered.

25 We think that it should be, as I said

1 earlier, focused on the future. I think we've
2 heard that from the other two utilities and I
3 think most other presenters. That we currently do
4 have a process for near-term projects. But this
5 activity really should be more strategic in nature
6 and really look beyond the ten year planning
7 window to get what are the long-term growth, what
8 are the long-term needs of the state and the
9 citizens and look at that way.

10 And then I think we have also heard, I
11 think I'd like to reiterate that as well. We
12 don't, we think it would be detrimental if this
13 process would be another, a hindrance or another
14 step it needs to go through if it was sort of
15 retroactively applied to projects that are already
16 in a regulatory siting process. So this should be
17 a future-looking activity.

18 With that we have just tried to put up
19 sort of a flow chart as to some of the steps we
20 see might be -- this could help. Corridors should
21 be designated prior to the identified need, as we
22 require in the CPCN, but it would look at more of
23 the generic uses for that corridor.

24 It should best fit to accommodate the
25 utility's future needs. I mean, if corridors

1 possibly could be of different widths. So if we
2 knew it was an area that had many resource
3 opportunities possibly the width of the corridor
4 might be greater than another area.

5 We also believe that for this to be on
6 designation there's a lot of initiatives happening
7 at the state, federal, local. There's
8 blueprinting with counties. The military is
9 looking at a lot of their joint land use areas.
10 So I think that this should be integrated and
11 incorporated with that.

12 And I also think that the designation,
13 there should be some sort of periodic review of
14 that so that the corridor doesn't necessarily
15 become stale in that its value and a lot of the
16 effort that was put in there was done once and
17 then 20 years later it's found of little or no
18 value for going forward in that area and so in
19 essence you're starting back again.

20 And part of it is environmental
21 mitigation. I think one of the things we'd like
22 to at least have considered but not necessarily,
23 you know, is that right now the state is using
24 emissions credits or emissions banking for
25 generation projects.

1 In one of the environmental areas it
2 might be a possibility to have some sort of
3 habitat banking where you could do some
4 environmental mitigation, possibly now at a lower
5 cost, that you knew was going to be a concern in
6 utilizing that corridor in the future. So we
7 think that could be a way to where it would be a
8 win-win for both the environmental and the
9 utilities or the potential users of that corridor
10 going forward. So that's just a thought that we
11 bought in through in there.

12 Here again I think we don't want this
13 process to be -- it should mirror the CPUC. I
14 think we also heard that as well and I don't go
15 into more detail than that.

16 I also think we currently have an advice
17 letter before the CPUC requesting money to do a
18 very similar task, looking at interconnecting of
19 renewable generations with the wind and solar and
20 the geothermal resources. Right now the ability
21 for a utility to recover any of those costs are
22 dependant upon that project going forward. So
23 that is something that might be considered in
24 this.

25 ASSOCIATE MEMBER GEESMAN: Is this the

1 exploration east of the Sierras?

2 MR. LEEPER: Yes, basically. When I
3 think we made the advice letter, the filing was
4 made. But it's Western Nevada, it's Inyo/Kern.

5 ASSOCIATE MEMBER GEESMAN: Yes.

6 MR. LEEPER: Yes. So it's an existing,
7 I think it's approximately six million dollars.

8 ASSOCIATE MEMBER GEESMAN: Okay.

9 MR. LEEPER: And then I think we have
10 heard it also that this land should be held there
11 and made available going forward. There should be
12 some sort of process in place for identifying
13 competing projects and how that can be and the
14 cost of that recovered.

15 Open issues. I think basically here
16 again we've heard that discussed. The validation
17 of the corridor purpose and need, similar to what
18 would be in a CPCN so that ought to be considered.

19 And then, do we need validation that a
20 renewable or other energy potential exists in an
21 area in order to support the corridor designation?
22 That's sort of a question. I mean, what is the
23 process? How is a corridor going to be identified
24 and what is the basis? But here again we think it
25 should be similar to what is used in the purpose

1 and need in a CPCN.

2 And then I think we've also seen how do
3 we prioritize the use within a corridor. If a
4 utility does spend significant time and effort in
5 getting a corridor designated and then by the time
6 that becomes a reality for them it is no longer
7 available. So we think there should be some
8 provision that either joint ownership or that
9 multiple uses be considered as part of the
10 approval process or allocation of that corridor.

11 And then that sort of, my final bullet
12 is the competing requests. Because like I said,
13 it's not going to be an insignificant effort.

14 Here again back to what could impede
15 this process. I think what we've heard also is
16 lack of participation. We seriously -- I think
17 the utilities, you've heard it today, I think a
18 lot of the environmental agencies are going to be
19 very willing to participate. But I really think
20 in order for this initiative to succeed it is
21 going to require active participation by cities,
22 counties, the Native American tribes and other
23 jurisdictional agencies.

24 So this truly will need a broad based
25 support of looking at the needs of these

1 individual stakeholders and then incorporating
2 those into the corridor planning process so that
3 we get a viable alternative at the end product.

4 I think the other thing is I'd like the
5 Commission to at least consider the fact that this
6 is going to be costly and will be complex. So,
7 you know, in implementing this try to keep that in
8 mind. Because, here again, those costs are going
9 to ultimately be passed on to somebody so it needs
10 to be considered as part of this implementation.

11 And then I think, this is back to my
12 final bullet where I'll close. That once a
13 corridor has been designated as part of this
14 process there should be some value towards the
15 CPCN. So that when a utility goes in they can
16 leverage a lot of the information and consensus
17 that went into the process of getting the corridor
18 designated in the first place. And that might
19 possibly beat on through a refresh, what I'm
20 saying, so that this thing doesn't get stale.

21 So with that I think that's my formal
22 presentation. I would like to open it to
23 questions.

24 ASSOCIATE MEMBER GEESMAN: Thanks, John.
25 Regarding your last two points.

1 MR. LEEPER: Yes.

2 ASSOCIATE MEMBER GEESMAN: I'd really
3 hope that you would continue to kind of keep us on
4 track and force a balancing between whatever costs
5 and complexity our contemplated process endures
6 with some value added as well. If those two don't
7 match up then we're doing something wrong.

8 And this is an idea, if you'll remember,
9 that originally came to us several years ago from
10 one of your company's witnesses in our IEPR
11 process. So I hope Edison feels an ongoing
12 engagement and some ownership in terms of the
13 future of this particular concept.

14 But most of all I'd ask that you try and
15 keep us on the straight and narrow in terms of
16 balancing cost and complexity with value added.

17 MR. LEEPER: Okay, definitely will.
18 Thank you.

19 MR. BARTRIDGE: Commissioners, I'd like
20 to draw your attention to the fact that it's noon.
21 We have three other presentations, four other
22 presentations plus public comment and I'd like
23 your input as to where we should -- whether you'd
24 like to break for lunch or press forward or?

25 PRESIDING MEMBER PFANNENSTIEL: Well I

1 didn't know we had four other presentations. I am
2 certainly prepared to keep going until one o'clock
3 or so. But if it is going to run much longer than
4 that then we might as well take a break now. The
5 presentations have been, you know, ten minutes or
6 so I think we probably have time to get them in.
7 So why don't we go on and see if we need a break.

8 MR. BARTRIDGE: Very good. And we do
9 have folks on the phone we believe will add
10 comments as well.

11 Next up, Tony Braun, California
12 Municipal Utilities Association.

13 MR. BRAUN: Commissioners, thank you
14 very much for the opportunity to talk on this
15 topic today. This is an important topic for the
16 municipal community. As evidence we have several
17 CMUA members here today participating and also
18 listening and learning.

19 I would say we're definitely in that
20 listening and learning mode right now and have
21 learned a lot from the presentations that have
22 already been given today as well as I think agree
23 with much of what has been said by other market
24 participants and stakeholders to date.

25 I would also like to offer up we have

1 several representatives. You know Mr. Cady on the
2 table, but also Jim Beck who is general manager of
3 the Transmission Agency of Northern California, in
4 the audience. And TANC has been a point for the
5 transmission plans and development of several of
6 the municipal utilities in California. So I'd
7 just like to offer all of us up as resources as
8 this goes forward.

9 Procedurally we appreciate the early
10 outreach that Mr. Bartridge and his team have
11 undertaken. After going through the 1368 process
12 with your staff and working cooperatively through
13 that we appreciate the schedule that has been
14 outlined as well and would anticipate that we will
15 be actively involved throughout this process.

16 Let me give you a little brief, I want
17 to say municipal primer, almost, about our history
18 of transmission development. We have a little bit
19 different legal structure as far as our siting
20 requirements and our environmental review
21 requirements but I think also there's other key
22 differences.

23 Our governing boards are elected
24 officials. They are very focused on meeting
25 certain goals, whether that be general, let's call

1 it run-of-the-mill reliability improvements that
2 necessitate transmission. Whether that be
3 development and delivery of firm resources to
4 load, whether that be achievement of environmental
5 RPS goals or just the economics of a facility.

6 It's a fairly streamlined and a fairly
7 clear cut analysis of whether they think the
8 transmission line for them is needed and is
9 beneficial to their customer/owners. And so I
10 think that's been very key. That structure has
11 been very key in helping us to analyze and then
12 get things done when it comes to constructing
13 transmission, which we think is a key element of
14 our overall infrastructure plan in California.

15 And the results are that over the last
16 few decades most of the major interregional
17 facilities that have been into California have
18 been built by municipal utilities. And just sort
19 of as an example, because of the amount as
20 compared to load and because of the history and
21 the vintage of the facilities which were built
22 recently as compared to the system as a whole.

23 And these are numbers not to be quoted
24 but just off the top I had to give you a little
25 bit of an order of magnitude. If the system

1 average cost for high-voltage transmission in
2 California were \$3 to \$4 a megawatt hour, and
3 that's how the ISO charges for it, for a municipal
4 utility those costs might be anywhere from -- some
5 are down in that system average, some are up in
6 the \$13 a megawatt hour. So that just gives you
7 an idea of how much of transmission loading in the
8 overall retail bill some municipal utilities see
9 as compared to the system average as a whole.

10 We think this is a success story. I
11 don't want to lose sight of that. These
12 facilities were built for a reason and we are
13 very, very enthused by the corridor process here.
14 And what we don't want to see is any erosion of
15 the foundations that have allowed us to build
16 these facilities. And on this point I think I
17 would echo what I heard from representatives from
18 Southern California who were looking for value,
19 incremental value from this process so that it can
20 facilitate needed transmission.

21 This unintelligible map. Goal number
22 one, I know that there's a simpler map out there
23 at the WECC but you need to actually be a
24 registered WECC member to get the electronic copy
25 of it. I have a printed copy in my office but I

1 don't have an electronic copy and I'm not allowed
2 to get it, evidently.

3 So if you look at some of the paths,
4 just to illustrate, the paths down from the
5 Northwest down into Central California. The
6 dotted line that is the DC tie into the LA area.
7 The DC tie, this path -- This is not geographic,
8 it's just separated I think for illustration.
9 Ownership or entitlement rights to resources
10 outside the Intermountain Project in the southern
11 transmission system as well as Mead-Adelanto
12 rights and ownership rights and then joint
13 ownership of the SWPL line. So there's been a
14 long history of development, of transmission with
15 our colleagues in the industry as well as with
16 ourselves and that is something that we'd like to
17 see go forward.

18 Let me do my best to get through and
19 help to meet the goal of the one o'clock target.
20 We think corridors can help us out in several
21 ways. One, they may facilitate our own siting
22 efforts and that is all to the good. We may
23 utilize them either as they are designated by the
24 Commission or if we seek designation. We also may
25 benefit if there are facilities that benefit the

1 grid as a whole because the bulk of CMUA
2 membership relies on and utilizes the ISO-
3 controlled grid. So there are many potential
4 benefits.

5 If you look at what the state pays for
6 uneconomic dispatch of generation and you compare
7 that to some of the costs of some of the programs
8 that we see across, that we argue a lot over the
9 building or in various agencies, we could use that
10 revenue stream for a lot of good things or we
11 could save consumers money. So building out the
12 transmission system we see has many benefits.

13 We also went through some of the
14 questions, the preliminary questions that the
15 Commission had developed. Objectives, again I
16 think this goes back to value. It's hoping, it's
17 facilitating. When I read 1059 and I look at all
18 the statements and the intent of the Legislature
19 it is to facilitate the build-out of the grid to
20 meet the objective of the state. Whether those be
21 the RPS, whether that be meeting emissions
22 targets, whether that be economic sources and
23 diverse sources of energy.

24 Forward planning. I think the ISO's
25 planning documents refer to some of the past

1 history as reactive. We identify an issue and
2 then we react to it rather than anticipating it.
3 Hopefully the corridor process will help us get
4 out of that.

5 Again, this slide just reiterates that
6 we view this as a tool and it's a tool we hope
7 CMUA members would like to use when it brings that
8 additional value to the existing system.

9 We're very positive about the corridors.
10 What we don't want to see, and this issue I think
11 was touched on, is we have been fairly successful
12 in working through the land use issues and the
13 environmental review that is needed to build major
14 high voltage transmission lines.

15 We don't see corridors as creating a
16 presumption that facilities within a particular
17 path would go in the corridor. We don't see the
18 corridor as preempting the rights of our investor-
19 owned colleagues or CMUA members in building
20 transmission.

21 We think that a lot of the
22 implementation issues, whether they be the
23 competing use issues that you'll see down the road
24 here, get more complicated if we create a corridor
25 as a presumptive path between resources and load.

1 Again, we see this as a tool that is going to help
2 facilitate the transmission to get built and not
3 have the implementation of the corridor process
4 end up with being an obstacle.

5 Planning, this has been touched on. It
6 is absolutely essential that the corridor process
7 be coordinated with the ISO's long term
8 transmission process. It may be even more
9 essential now that the ISO has made a long-term
10 transmission rights filing with FERC to implement
11 these long-term financial rights within the MRT
12 market design.

13 But we wouldn't want to lose sight of
14 the fact that there are a host of other planning
15 processes out there. Municipal utilities have
16 their own planning processes, the WECC has a
17 regional planning process, and I can't begin to
18 enumerate the numerous sub-regional planning
19 processes that California representatives are
20 involved in. And they are all addressing what our
21 anticipated transmission needs.

22 The Commission asked questions about the
23 federal efforts. I think that has been well
24 covered. I would note that when we look at the
25 Federal Power Act and the National Energy Interest

1 Corridors it looks to me like these are corridors
2 as wide as a state. They are not 30,000 feet or
3 1500 feet. Nevertheless when we look at the
4 criteria they look relevant.

5 And we would just note that it certainly
6 has been expressed from states as a whole and from
7 California's representatives that they would like
8 to have jurisdiction for siting be a state matter.
9 And it might behoove California to take into
10 account the federal criteria before the state,
11 before the federal authorities do.

12 ASSOCIATE MEMBER GEESMAN: You sound
13 like you're not familiar with the letter that we
14 filed with the DOE.

15 MR. BRAUN: With respect to the national
16 interest corridors?

17 ASSOCIATE MEMBER GEESMAN: Yes.

18 MR. BRAUN: It could very well be.

19 ASSOCIATE MEMBER GEESMAN: I encourage
20 you to take a look at it. You might be surprised
21 at what at least one state agency had to say about
22 impending federal jurisdiction.

23 MR. BRAUN: Mr. Bartridge will get me a
24 copy.

25 What issues could prevent the corridor

1 designation from being a success? I think again
2 we would have concerns if the corridor designation
3 becomes the presumed path between the resources
4 and load. We think that raises several
5 implementation issues that get more thorny.

6 And this was an issue, I think at least
7 indirectly, that was touched on by other
8 stakeholders. We also think that if corridors are
9 looked at as the end-all/be-all, that they're
10 going to solve transmission development problems,
11 we think that's probably an unrealistic
12 expectation.

13 I think if you look back over the last
14 -- And this is something that several of the
15 Commissioners have heard us express a concern
16 about. When we look at the incentives that
17 municipal utilities have to build we think they're
18 fairly clear cut. Meet RPS goals, meet other
19 resource and portfolio goals, have it pencil out
20 as a net positive for our customer/owners.

21 I think it is fair to say that over the
22 last 15 years or so sometimes those objectives,
23 some of them didn't exist, but they also were
24 confused by a lot of changes that were occurring
25 in the industry. And those signals, if there is

1 confusion in those signals, no amount of corridor
2 designation is going to solve it.

3 We support the remarks from the
4 gentleman from PG&E with respect to the need to
5 return, and I think we are, to a robust,
6 integrated planning approach for the state. So
7 there has been significant progress in this area
8 and SCE's notes about their transmission
9 investment show that. But is that going to be
10 durable? There have to be the correct and clear
11 signals for the transmission owners to build in
12 addition to solving any land use issues.

13 On the issue of competing uses I think
14 we are very much in a listening mode. I think
15 some of the other transmission owners have raised
16 fair points about if they designate a corridor and
17 they file the application and they put the work in
18 that they should have an expectation of beneficial
19 use. At the same time we get concerned that,
20 again, if these are the presumptive paths that we
21 may end up with them lying fallow to the detriment
22 of other stakeholders in the industry.

23 So we think that this result can be
24 avoided and we hope to listen and hear what some
25 of the other market participants have to say as we

1 go forward on this issue. We wouldn't want to see
2 hoarding of corridors. We think that that issue
3 may be exacerbated if they are the presumptive
4 paths. And we're definitely in a learning mode to
5 see if there's ways to make sure that we can meet
6 the reasonable expectations of the transmission
7 owners as well as making sure we don't have these
8 assets which you're creating lie fallow.

9 So in summary, we are very supportive of
10 the corridor process. We support robust
11 coordination with all relevant planning efforts,
12 not just the ISO but our own and other regional
13 and sub-regional bodies.

14 We would echo the comments that the
15 corridor process should bring value so that it
16 facilitates transmission development, which we see
17 as the purpose of 1059. And we are just watchful
18 to make sure that we don't have the unintended
19 opposite effect, where we end up perhaps creating
20 an obstacle to future planning and making sure we
21 deliver the resources to load to make sure we can
22 meet the state's goals for the industry.

23 Thank you very much.

24 ASSOCIATE MEMBER GEESMAN: Tony, do you
25 think there's a way to construct a paradigm where

1 a corridor might be a presumptive path for
2 purposes of CPUC/CPCN decisions but in no way
3 preclusive of your members or someone other than
4 an investor-owned utility building a transmission
5 line outside a corridor?

6 MR. BRAUN: No, I think it's definitely
7 -- I mean, I don't see any legal. I need to give
8 it a lot more thought. I don't see any legal
9 obstacle to that type of dichotomy. I don't want
10 to lose sight of the fact that it is very possible
11 that my members would also like to seek corridor
12 designation and that would, obviously, come
13 through the Commission. So somehow meshing all
14 those concepts together.

15 But no, I don't see any. Off the top of
16 my head I don't see any inherent obstacle. I'd
17 love to give it a little more thought and consult
18 with some of our folks and perhaps address that in
19 the written comments we hope to file.

20 ASSOCIATE MEMBER GEESMAN: Okay, thank
21 you.

22 MR. BARTRIDGE: Thanks, Tony. Next up,
23 Frank Cady, Lassen Municipal Utility District.

24 MR. CADY: First I would like to thank
25 you for having me here today. My name is Frank

1 Cady, I am the general manager of the Lassen
2 Municipal Utility District. I would like to
3 especially thank Mr. Bartridge and Mr. Najarian
4 and Mr. O'Brien for discussions that we have had
5 in the past. It is an honor and a privilege to be
6 here today, asking such a small stakeholder in
7 this process to be part and be included in this,
8 in this important proceedings and endeavor.

9 I am new to this PowerPoint game. I
10 notice on my PowerPoint my contact information is
11 absent. However, we can be found on the web, and
12 of course as Tony said, we are members of CMUA and
13 many of you already know how to get hold of us.

14 One individual that is here that is a
15 point of contact here in Sacramento for Lassen,
16 and I refer to him borrowing from a government
17 agency's designation, is my senior policy adviser,
18 and that is Don Battles. Don can be contacted,
19 Mr. Bartridge has the contact information for Don.

20 What I am here for, and Tony's
21 presentation was a little bit of a segue, he said
22 perhaps some CMUA members might be interested in
23 making application. Well perhaps LMUD might be
24 interested in making application. I am here to
25 give you just an initial 30,000 foot overview of a

1 load-serving entity and how that might occur.

2 The Lassen Municipal Utility District is
3 a small municipal utility district formed under
4 the Municipal Utility District Act of 1921 just
5 like SMUD. However, the Act was put in place to
6 form EBay-MUD. But SMUD was formed years later
7 and we are just like SMUD, formed in 1986, and we
8 only do electricity.

9 We are located in northeastern
10 California as the first two slides indicate. Our
11 service territory is 1400 square miles. We're
12 about 26 megawatts of peak load. Typically we're
13 coming into a new era where we peak both in the
14 summer and the winter. It seems like all new
15 subdivisions and commercial developments seem to
16 want to have commercial air conditioning installed
17 or air conditioning installed, which has made us
18 both a summer and winter peaker.

19 We have about 12,000 customers. We are
20 within the CAISO control area. We are not
21 connected to any non-PTO. And let's see. We are
22 located within the county of Lassen, although our
23 service territory isn't coterminous with the
24 county lines. However, we take up probably about
25 a third of the county.

1 For comparison purposes, Lassen County
2 is made up of about 4500 square miles. The free
3 population, and I say free because we have three
4 prisons up there. When I was on the city council
5 years ago we did an island annexation of the
6 prisons to use the population for tax purposes.
7 So we have about 10,000 incarcerated.

8 But of the free population we have about
9 25,000 people, that's about 5 per square mile. To
10 contrast that with Sacramento County where we are
11 at this moment, 966 square miles, a population of
12 1.3 million approximately, or 1400 people per
13 square mile. We are very, very rural, remote and
14 a lot of country up there. The majority of the
15 open space is government. BLM, Forest Service, US
16 Forest Service, state, some tribal lands,
17 rancherias and the like.

18 We are however, as I have found out,
19 kind of out of sight and out of mind. Which
20 probably could be a good thing. But then also as
21 these things are taking place is not such a good
22 thing if we want to do our, do our part to help in
23 the state and nation and ourselves economically.
24 I am not being totally altruistic about this. We
25 wish to help our county. We need to get involved.

1 Getting involved is something that since
2 I came in in the summer of '05 the Board has
3 instructed me to do, to reach out and to contact
4 and get involved and meet all sorts of people such
5 as the regulatory commissions and the
6 commissioners, the staff, PG&E. Mr. Ramsey and I
7 have had some good meetings.

8 The transmission agency in Northern
9 California of course, the independent energy
10 producers, the other -- basically other
11 stakeholders, CAISO. For better or worse, whether
12 the methodologies were good or bad we've reached
13 out and we have touched a lot of people over the
14 last year and we are, I think, becoming a little
15 bit known.

16 We see this procedure or this, the
17 implementation and the promulgation of the
18 regulation to implement 1059 as just another,
19 another piece of the important puzzle driven by,
20 of course, the loading order. You know, reduce
21 demand, energy efficiency, renewable generation or
22 additional generation, et cetera.

23 Now with all of the things that are
24 going on, the Integrated Energy Policy Plans,
25 especially the part that I like, the Strategic

1 Transmission Investment Plans, the Energy Action
2 Plan, FERC orders, Renewable Portfolio, the Public
3 Utilities code Section 399.25 Backstop Proceedings
4 that the CPUC is proceeding in, the filings by the
5 CAISO with FERC for the trunkline, ratebasing.

6 Our third category, whatever you wish to
7 choose it, what name is chic this week. CEC's,
8 your draft renewable trunkline study that was out
9 last fall, all the other legislation and studies,
10 and now we've got 1059. We see 1059 as the
11 individual from -- I am sorry, I think it was Tom
12 from San Diego said, it's connecting the dots. We
13 do see it as connecting the dots.

14 LMUD has been involved in renewables or
15 what are considered renewables now under
16 definition since the early '80s. But first before
17 I get into that, what are LMUD's renewables? And
18 I use the term loosely, LMUD's renewables, because
19 they are both within our service territory and
20 surrounding our service territory. They are
21 located in Northeastern California, Northwestern
22 Nevada and the surrounds.

23 Here is, of course, a slide. The other
24 protocol that I messed up on is I didn't integrate
25 my speaking notes with the PowerPoint

1 presentation. Next time I'll be a little better
2 at that so I won't have to be so verbose.

3 But this slide shows one source, the
4 geothermal renewable potential that is up in our
5 area. You know, you can see a lot of it is in
6 California, a lot of it is in Northwestern Nevada
7 as well. It needs to be captured.

8 Wind. Wind is particularly plentiful in
9 Lassen County and in Northeastern California and
10 Northwestern Nevada. This wind data map from 100
11 meters from AWS shows a lot of the wind potential.
12 And of course Lassen's service territory is right
13 in the middle of that outlined in blue. Later on
14 I will show you some of the transmission that is
15 in the area that perhaps could be enhanced through
16 this.

17 Solar. We don't have 350 days a year
18 but we do have about 330 days of sunshine a year.
19 Not as high intensity as Imperial County but
20 fairly decent.

21 The geothermal or the renewable projects
22 we have been involved in since '86 involve
23 somewhere around 55 megawatts of energy. Some of
24 it is still on-line, 32 megawatts is still on-
25 line. The others went off-line as the mills went

1 out of business, Sierra Pacific Industries and
2 Jeld-Wen.

3 Also through a CEC grant, if you
4 remember that, and Commissioner Geesman, you may,
5 granted, made a grant to Lassen Community College
6 for a demonstration municipal solid waste energy
7 project that was a good project. The generation
8 was never on-line but the burner worked for a
9 while until they realized there's a bunch of
10 design problems with it. But it was one of the
11 starts for waste energy.

12 We have a lot of others that we've
13 looked at as time went by but our vision for our
14 part of our neck of the woods is first of all we
15 recognize that we are really too small to risk
16 plant ownership or capital investment. However,
17 transmission, is of course, the sine qua non that
18 is needed to bring any resources to load.

19 And as demonstrated in the earlier
20 slides, we believe we have rich resources,
21 renewable resources that can fulfill numerous
22 policies. But we need to get that down to load.
23 We are encouraged with all the proceedings as
24 mentioned a little earlier that are going on to
25 bring in the third category or the trunkline,

1 bring it on-line.

2 So what we see is using these rich
3 untapped resources. We would like to reach out to
4 those that wish to develop them and hold ourselves
5 out as, what can we do to help. The county of
6 Lassen as well, and I bring a message from them,
7 is of the same opinion. We have met and gone over
8 county maps and potential corridors of
9 transmission.

10 We are in the process of working with
11 the county to update the county's energy element.
12 It hasn't been updated for about 20 years and of
13 course an energy element or a transmission element
14 or a geothermal element as Imperial uses isn't
15 something that is required in a general plan but
16 it is definitely something that the county is
17 interested in and we are interested in for the
18 very same policy reasons as are expressed in 1059.

19 Our goal is east/west transmission for
20 all categories of transmission, participating,
21 non-participating, because we believe that none is
22 mutually exclusive. North/south transmission
23 through the area needs to be enhanced as well with
24 the RAT (phonetic) line on the east side of the
25 Sierras and numerous things can be upgraded in

1 existing corridors. Perhaps all this will lead to
2 a trading hub in the area, I'm not quite sure.

3 Toward this goal one thing that Lassen
4 has done back in the fall of '05 is we adopted
5 what was called the Clean and Green Energy Zone.
6 It is just a portion of our service territory and
7 it is just a start. Areas that these renewables
8 that I spoke of a moment ago are located.

9 Now as a year and a half has gone by we
10 have been made keenly aware of all the other
11 resources that are in the area and this map, which
12 just -- or this policy which just started out with
13 a map just to initially identify some areas now
14 will need to be expanded.

15 And it will be expanded by the Board to
16 include all the rich resource areas as being
17 identified by not only those that are up there
18 looking to develop but by the state and federal
19 agencies that are looking at these things. This
20 energy zone is envisioned to either reflect or to
21 drive Lassen County's energy element and/or -- or
22 vice versa.

23 It recognizes that all stakeholders are
24 important in the process. They are not -- None of
25 them are mutually exclusive, whether they are

1 IOUs, POUs, co-ops who border us, PTOs, TOs,
2 Western, BPA, all the independent energy
3 producers, CAISO, all the interested groups. All
4 the stakeholders can all and need to all work
5 together to bring out and identify and cause to
6 become a reality this needed transmission to
7 fulfill the policies that the state is pursuing.

8 So what's happening in our area? Well,
9 right now this is a map from the Eagle Lake Field
10 Office of BLM, which is located in Susanville, and
11 there are ten rights of way or studies that have
12 been granted to various entities, most of which
13 are probably sitting here in the audience today by
14 representation or on the phone.

15 There is in our area -- These colors
16 represent the grants of study that have been given
17 or actual rights of way that have been given to
18 power producers. And there's some municipals and
19 there's some others as well. These areas are
20 designated as Antelope, Beckwith Pass, Fort Sage,
21 Fredonia, Horse Lake Mountain, Observation,
22 Schaefer, Snowstorm, Snowstorm West, Spanish
23 Springs.

24 And as I say, there's three of these
25 that are in my personal queue at LMUD. Some of

1 them are further along than others, however, they
2 wish to bring their product on-line and we're
3 talking anywhere from -- well the initial projects
4 are 50 all the way up to two to three, 400 each.
5 And a cumulative of -- I don't know whether it's
6 30 or 40 percent capacity, would be rather
7 significant for entities in California attempting
8 to meet the renewable portfolio requirements. And
9 as I say, there's three of them that are actively
10 going forward as we speak.

11 On other adjacent lands besides this BLM
12 Eagle Lake Field Office to the north we have the
13 Alturas and Surprise Valley Field Offices, which
14 have similar applications, the Carson City, Nevada
15 Field Office which has similar applications down
16 in this area, and the Lassen, Modoc and Plumas
17 Forests. We had an individual from Region 5 here
18 a little earlier, is he still here? Yes, okay.
19 Region 5, especially the Lassen, Plumas and Modoc
20 Forests have various ROWs that are in there or
21 requests for ROWs that are in there right now that
22 are being evaluated.

23 Let's see. One of the questions was
24 basically how Lassen views SB 1059. The way
25 Lassen views SB 1059, it could help LMUD and

1 others implement the loading order and the
2 policies that are being promulgated both
3 regionally, nationally, statewide and locally.

4 It can be a specific tool that
5 complements, and I emphasize complements, if the
6 rules are promulgated correctly, I believe. Not
7 replaces nor interferes nor duplicates other
8 corridor and transmission line needs and siting
9 procedures.

10 For example, the CAISO procedures that
11 are currently ongoing, the WECC procedures such as
12 PG&E's NC to BC line that is just being studied
13 under Section 3 of WECC's procedures. The
14 regional and sub-regional transmission planning
15 alphabet soup groups, whether it's northern tier,
16 NTAC, TPSEA, WECC, NCTAG, NCBC, STI. Just throw
17 them out there on the floor and it's a game of
18 Scrabble and you have a regional transmission
19 group. And there's new ones every day and new
20 studies every day. I don't know how you guys keep
21 up with all this stuff but I find it rather,
22 rather trying but it's very good information.

23 It can promote reliability and certainly
24 that is one of the goals and we recognize that.
25 It can provide a coordination in information and

1 facilitate needed and mutual participation and
2 partnerships with all the stakeholder groups as
3 mentioned earlier.

4 It can promote market liquidity, which
5 then in turn could send the correct price signals,
6 a certainty for the capital attraction into these
7 things, which is what I'm seeing with the three
8 that are in my queue at the moment.

9 It could add credibility to LMUD's Clean
10 and Green Energy Zone promotion. It could help
11 LMUD get the word out about its energy zone
12 opportunities and opportunities in Northeast
13 California and Northwest Nevada. It could help
14 LMUD promote that vision. It's proactive rather
15 than reactive, as has been mentioned time and time
16 again here today. We need to do forward planning,
17 as mentioned by everybody and the last of which
18 was mentioned by Tony.

19 So I've given you my vision, I've given
20 you what it can do, I've given you LMUD's vision.
21 What is my personal vision of this? We'll go back
22 here. I believe that hopefully with CEC's help
23 and hopefully Imperial County's help that LMUD and
24 the county of Lassen will come to creating a
25 cutting edge energy element that will be adopted

1 by the county of Lassen that can incorporate and
2 facilitate all these policy and procedural
3 decisions and mandates and recommendations that
4 are coming down from the Legislature and the
5 regulatory agencies. And this would be the
6 perfect scenario.

7 With the energy elements in place I
8 believe then that through this process that
9 appropriate corridors can be identified. And by
10 corridors being identified let me just give you a
11 little idea here. The Reno-Alturas line runs
12 right up here, up to Hilltop from Border Town.
13 Here is some of Lassen's transmission. From this
14 point is where we're connected with the CAISO.

15 It is 16 miles from there to Caribou.
16 Caribou is the start of PG&E's 230 line, and of
17 course they have plans to upgrade that whole line.
18 However, from Caribou to Lassen it's 60 kV. From
19 Lassen at our point of connection to Susanville
20 it's 20 miles, double circuited, two right of way
21 60 kV lines.

22 From the point of interconnection we
23 also have another connection, it's called Hat
24 Creek, and it goes up to PG&E's Hat Creek complex
25 and Pit River complex, which is about 45 miles.

1 From there, of course, everything comes around to
2 Round Mountain, from here it goes down to Table
3 Mountain. PG&E's NC to BC line cuts right, the
4 path, a big swath, but the county and we have been
5 looking at the perfect path right through here.

6 It avoids all the wilderness study
7 areas, it avoids cultural lands, it goes through
8 private lands, skirts some mountains and comes
9 right over to existing right of ways. Existing
10 right of way, existing right of way, existing
11 right of way.

12 We believe that Lassen may well look
13 forward to the day when we could be the first
14 applicant for a corridor designation, either us
15 alone or in the CEC's IEPR process perhaps.
16 You're doing it if you recognize it our one of our
17 partners, whether it be an IOU, POU, transmission
18 agencies or independent power producers.

19 We would like to see these corridors
20 designated. In a lot of cases they already exist,
21 they just need to be expanded. And I think we can
22 kill many birds with one stone through this
23 process. To complete that vision, the
24 transmission will be built. The IPPs will come on
25 line pumping thousands of green megawatts into the

1 system. Maybe we can even have some clean farming
2 up there, whether it's geo-solar or clean thermal.

3 Right now I can hear the wheels churning
4 in everybody's minds. What if the county adopts a
5 energy plan consistent with the CEC's corridors
6 and ideas and state policies? What if the IPPs
7 build out all of this green? What if they put it
8 on the grid and it comes down here? What if we
9 meet the goals and policies that have been set out
10 for us by the Legislature and you have been
11 entrusted, empowered and mandated to implement, as
12 well as all of us stakeholders.

13 Thank you. Questions?

14 ASSOCIATE MEMBER GEESMAN: Thanks very
15 much, Frank.

16 MR. CADY: Thank you.

17 PRESIDING MEMBER PFANNENSTIEL: Jim, how
18 do you want to proceed? Do we have comments from
19 people in the room or questions?

20 MR. BARTRIDGE: I have one other
21 presentation that was given to me this morning
22 from Bay Area Municipal Transmission Planning
23 Group. I have two comment cards, one from the
24 Imperial Irrigation District and the Air Force
25 Western Regional Environmental Office.

1 So I'd like to proceed with the next
2 presentation, add Ed to the group. Go ahead.

3 MR. TOOKER: I also wanted to mention
4 that in our outreach we were encouraging,
5 especially local governments, to participate by
6 phone if they couldn't make it up here to the
7 proceeding and I believe San Diego at least was on
8 the line at some point, San Diego County, and
9 there may others, Riverside included. So we would
10 like to ask them to comment if they are still on
11 the line at that time.

12 PRESIDING MEMBER PFANNENSTIEL: Thanks.

13 MR. CHANG: Good morning, good
14 afternoon. My name is Ed Chang, I am with the
15 Flynn Resource Consultants. I represent a group
16 -- Where are we? I represent a group of
17 municipals in the San Francisco Greater Bay Area
18 and these consist of three cities, the City of
19 Alameda, Alameda Power and Telecom, the City of
20 Palo Alto Utilities and the City of Santa Clara,
21 known as Silicon Valley Power.

22 The objective of this informal alliance
23 have been to promote reliable electric supply to
24 and within the San Francisco Greater Bay Area at a
25 reasonable cost. One of our key focus has been

1 increasing the transmission import capability into
2 the San Francisco Greater Bay Area and for all the
3 reasons why we want to improve transmission
4 infrastructure you heard this morning. They
5 include increasing or improving reliability,
6 decreased congestion costs, access to markets and
7 renewables. And perhaps not so much mentioned by
8 others but will be by me today is reduction in
9 reliability must-run, or the new name, we call the
10 local capacity requirement cost.

11 BAMx submitted prior comments to the
12 California Energy Commission in the 2005 IEPR
13 process. There were several corridor workshops
14 and I vaguely remember discussions of corridor
15 banking and subsequent transmission strategic plan
16 development.

17 In those prior comments the BAMx cities
18 recommended that the Commission look at high
19 priority corridors into congested urban areas.
20 And of course we want to utilize to the fullest
21 extent any existing transmission corridors,
22 particularly into the Greater Bay Area.

23 Silicon Valley Power in response to the,
24 I believe the 2005 transmission data collection
25 effort for the 2005 IEPR process, actually

1 submitted a letter identifying a project that the
2 BAMx members were examining at the time, basically
3 repeating those comments.

4 The BAMx members also was engaged in the
5 federal government's Department of Energy
6 proceedings back in 2005. At that time they
7 labeled the process as the National Interest
8 Electric Transmission Bottleneck Proceeding. This
9 was prior to EPAact 2005 and obviously prior to
10 SB 1059.

11 That effort I believe just dropped
12 because EAct 2005 was in the process of being
13 passed. Under Energy Policy Act 2005 DOE was
14 granted the authority to examine congestion
15 nationwide and our, the three municipals requested
16 early designation to the Department of Energy for
17 increasing imports into the Greater Bay Area as
18 national interest transmission corridor during the
19 early parts of the 2006 proceeding. That led to
20 the Department of Energy's August 2006 congestion
21 report and that particular report classified the
22 San Francisco Greater Bay Area as one of four
23 congestion areas of concern.

24 The California Energy Commission
25 submitted comments, and I'll just kind of repeat

1 them verbatim because this is relevant to what I'm
2 about to say, on the DOE congestion report. And
3 this Commission agreed with the Department's
4 classification that the San Francisco Bay Area as
5 a congestion area of concern. And it also further
6 elaborated that yes, we previously identified the
7 trans-bay cable as a near-term solution.

8 Our comment is that the trans-bay cable
9 improves reliability for the San Francisco
10 peninsula but does not increase imports into the
11 Greater Bay Area at load pocket at large, nor
12 reduce local capacity or RMR requirements.

13 BAMx also filed comments with the
14 Department of Energy on the congestion report,
15 agreeing that the transmission expansion for
16 increasing imports into the Greater Bay Area
17 should continue to be the focus of federal
18 monitoring and attention by the Department.

19 This diagram is only relevant for a
20 reason here and I don't know if I can identify it
21 but there's dash lines. And I'm going to follow
22 this dash line which basically cuts across several
23 transmission lines. And that cutting electrical
24 engineers and planners would call a cut plane.
25 Basically a cut plane is cutting across parallel

1 paths.

2 It starts, it starts out at the southern
3 end at the Moss Landing-Metcalf area. It moves up
4 along this area and it cuts across in this
5 fashion. What I am outlining to you is three
6 major import corridors or transmission, existing
7 transmission system into the Greater Bay Area.

8 Perhaps this is a simpler or a
9 simplified diagram of the prior single-line
10 diagram. This particular schematic was
11 constructed for the purpose of identifying the
12 Greater Bay Area Local Capacity Requirements.
13 That cut plane that I attempted to follow for you
14 in the prior diagram is shown here in the --
15 basically the paths entering the circle.

16 You will see here -- By the way, this is
17 a California ISO/PG&E-developed schematic
18 identifying six subpockets for local capacity
19 requirements within the Greater Bay Area. Again,
20 the purpose of this diagram is to identify three
21 existing major corridors into the Greater Bay
22 Area.

23 Our current efforts, on the DOE
24 congestion report we requested the Department
25 defer the Greater Bay Area national interest

1 electric transmission corridor designation until
2 we have completed the Greater Bay Area long-term
3 studies. The BAMx members are participating with
4 the California ISO, PG&E, other stakeholder groups
5 in a study, a the study group.

6 The objectives of the study group is
7 looking at the long-range needs of the entire
8 Greater Bay Area, generation, demand response,
9 renewables. Basically including increasing, re-
10 conducting existing lines and also increasing
11 imports in addition to new transmission lines that
12 would go into the Greater Bay Area. We anticipate
13 the study report will be available by the end of
14 this year.

15 Related effort, of course, is the
16 program of the California ISO, and for that matter
17 not just PG&E but all the participating
18 transmission owners in California, is look at the
19 long-term local capacity requirement reduction
20 plan. These are five years outlook but for
21 transmission purposes perhaps it should go out to
22 10 to 15 years.

23 BAMx, the three cities are also members
24 of TANC and TANC has a transmission program.
25 Increasing imports into the Greater Bay Area is

1 but one element of that program. This is on a
2 conceptual basis at this point.

3 The BAMx members and the Western Area
4 Power Administration have performed system impact
5 studies for extending the existing Tracy
6 substation to the Lawrence Livermore National
7 Laboratory substation and on into the Greater Bay
8 Area.

9 The BAMx members support the
10 Commission's implementation of Senate Bill 1059.
11 Their views is that designation should not
12 interfere with currently proposed projects such as
13 being examined by the BAMx members.

14 Designations of corridors should result
15 in expediting or permitting the proposed projects.
16 In other words, why have it if it's no added
17 value?

18 And the legislation or the law requires
19 the Commission to work with local governments,
20 cities and counties, et cetera. But my member
21 cities recommend that the Commission attempt to
22 reach consensus with local governments and cities
23 on proposed corridors. Jim Bartridge said a
24 dialogue is created by 1059 but the cities are
25 concerned that yes, let's try to reach a common

1 consensus.

2 Again, 1059 talks about coordination
3 with the federal process. We urge the Commission
4 to continue that coordination. The CEC
5 designation efforts should be complementary to the
6 federal effort. We use a term for deliverability
7 to load centers. Use a designation authority to
8 fill that gap, to link between federally
9 designated land corridors, to link to known load
10 pockets in congested areas.

11 We urge the Commission to continue its
12 coordination on the DOE congestion study efforts.
13 The Department will be coming out with a progress
14 report from this last summer's report, again, in
15 August 2007.

16 And the BAMx member also reiterate its
17 prior comments that was submitted back in 2005.
18 Recognize high priority congestion area, utilize
19 to the fullest extent possible existing corridors.
20 Also to remain flexible in designating any needed
21 new corridors, particularly into congested load
22 pockets.

23 Reasons could be physical. Existing
24 corridors may be overused. We have re-conducted
25 the most we can. Towers are only designed for

1 certain conductor size. Right-of-way widths are
2 constrained. And there may be new need for new
3 corridors. Incorporate the needs of local
4 government prior to designating new corridors.

5 Thank you and I'll be glad to answer any
6 questions.

7 ASSOCIATE MEMBER GEESMAN: Thank you
8 very much.

9 PRESIDING MEMBER PFANNENSTIEL: I think,
10 Jim, we're going to take a lunch break now.
11 Although I would ask if there is anybody who needs
12 to speak and will not be able to come back after
13 an hour lunch break we probably need to
14 accommodate them now.

15 MR. METROPULOS: Will you also be
16 accommodating people on the phone?

17 PRESIDING MEMBER PFANNENSTIEL: Yes,
18 when we come back after our lunch break.

19 MR. METROPULOS: I cannot -- This is Jim
20 Metropulos of the Sierra Club and I wanted to make
21 some comments but I am unavailable after two p.m.
22 this afternoon. I've been listening in since
23 9:30.

24 PRESIDING MEMBER PFANNENSTIEL: Then why
25 don't you go ahead now, thanks.

1 MR. METROPULOS: Okay. As I said my
2 name is Jim Metropulos with the Sierra Club and I
3 just have some small comments here regarding this
4 process. As for the Sierra Club, we are a large
5 environmental organization that focuses on these
6 issues and we have 200,000 members in California.

7 We are following this process. We are
8 involved in another process where we're watching
9 unnecessary power lines, transmission lines
10 proposed in San Diego County.

11 So with regards to this workshop, SB
12 1059 identifies the CEC as the lead agency for
13 preparing an environmental assessment for all
14 transmission corridors proposed for designation.

15 The Sierra Club is concerned that the
16 CEC may use the SB 1059 process to expedite
17 certain transmission projects at the expense of an
18 adequate public review process. Our specific
19 concern is the potential use of the SB 1059
20 process to fast-track any extension of SDG&E's
21 Sunrise Power Link to SCE territory.

22 The CEC has long advocated streamlined
23 permitting and expedited environmental review of
24 transmission projects. For example, in the 2003
25 IERP the CEC states:

1 "The PUC review of the
2 need under the certificate of
3 public convenience and
4 necessity for IOU transmission
5 projects have, in many cases,
6 been protracted and subject to
7 multiple delays. In the CPCN
8 process the PUC often
9 reexamines planning issues,
10 refusing to accept the
11 California ISO's
12 determinations in the planning
13 process. Permitting for the
14 new transmission lines should
15 be consolidated with and
16 modeled after the Energy
17 Commission's current licensing
18 process for generation."

19 And that is from the 2003 IEPR.

20 The CEC also cites the PUC's objection
21 of San Diego Gas & Electric's 500 kilovolt Valley
22 Rainbow Project in 2003 as an example of
23 transmission projects that have experienced
24 difficulties with the PUC process.

25 The Sierra Club is concerned that the

1 CEC has prejudged the benefits of an extension of
2 the Sunrise Power Link into SCE territory and will
3 use the SB 1059 process to advance a revised
4 version of the Valley Rainbow project to
5 accomplish this interconnection.

6 I think under the process of SB 1059 you
7 have to look at, as you go along, how are we
8 implementing the energy vision that the state
9 currently has? How are we looking at meeting the
10 RPS of 20,000 by 2010 and the possibility of
11 legislation putting into effect 33 percent
12 renewables by 2021?

13 Also, how does this process, how is it
14 going to be consistent with the state's energy
15 loading order from SB 1037 from a couple of years
16 ago? Those are things that people haven't really
17 touched upon.

18 Another concern we have is these
19 corridors going through park lands. That is a big
20 concern. And how do you minimize the effect of
21 placing these corridors through what we think are
22 inappropriate areas.

23 Another thing it is really important to
24 have is, how are you going to have public review,
25 adequate public review during this process?

1 Because these applications for individual
2 transmission lines, such as the case with Sunrise
3 Power Link, has numerous technical documents, the
4 applications are thousands of pages long.

5 How is any sort of expedited process
6 going to actually help the public look at these
7 transmission applications and see that they're
8 actually needed and that there is a benefit to the
9 people of the state of California.

10 So those are just general comments and
11 we will of course submit formal, written comments.
12 Thank you.

13 PRESIDING MEMBER PFANNENSTIEL: Thank
14 you. Any questions?

15 Okay, we'll come back. We'll have a
16 lunch break, come back at two o'clock and pick up
17 the additional comments and any additional
18 questions.

19 (Whereupon, the lunch recess
20 was taken.)

21 --oOo--

1 AFTERNOON SESSION

2 PRESIDING MEMBER PFANNENSTIEL: It's two
3 o'clock. I think we will reconvene. Will people
4 who are on the phones please mute your phones. We
5 can hear a lot of background noise in the room.

6 We're going to start. We have a pile of
7 blue cards here and we'll just work our way down
8 them. We'll start with Juan Sandoval of Imperial
9 Irrigation District.

10 MR. SANDOVAL: Good afternoon,
11 Commissioners, staff, ladies and gentlemen of the
12 audience. The Imperial Irrigation District
13 appreciates the opportunity to comment on CEC's
14 transmission corridor designation and
15 implementation of Senate Bill 1059. Again, my
16 name is Juan Sandoval, assistant manager of IID
17 transmission.

18 IID is an irrigation district organized
19 under the laws of the state of California Water
20 Code and as such is a political subdivision of the
21 state of California. IID is the nation's largest
22 irrigation district providing both electrical and
23 irrigation services to more than 135,000 customers
24 across 6500 square miles of California's
25 southeastern desert.

1 In addition to serving our own customers
2 IID has also come to be the largest transmitter of
3 geothermal energy in the country with more than
4 550 megawatts of renewable resources that IID
5 effectively delivers across the system today into
6 the ISO.

7 We kindly request this proceeding to
8 take into account the regional planning that has
9 and is taking place in part of California already.
10 In the case of Imperial Valley and the renewable
11 resources found there IID has been participating
12 with our local planning agencies, including the
13 county of Imperial as well as neighboring
14 utilities and generators in developing a
15 transmission plan for the Imperial Valley.

16 IID has already developed a transmission
17 expansion plan known as the Green Path to enable
18 the delivery of over 2200 megawatts of renewable
19 resources from the Imperial Valley. The Green
20 Path was the result of the CEC's Imperial Valley
21 study work group, a voluntary planning
22 collaborative effort made up of regional
23 stakeholders, including the County of Imperial.

24 The IVSG developed a phased approach
25 transmission plan that complemented with SDG&E's

1 Sunrise Power Link and the LADWP's Green Path
2 North to allow IID to deliver Imperial Valley's on
3 tap renewable generation resources to multiple
4 delivery points within the California Independent
5 System Operator grid as well as non-ISO utilities
6 such as LADWP and other municipalities in Southern
7 California.

8 As an important note, the IVSG proposed
9 transmission plan does not identify the need of
10 new transmission corridors in the IID service
11 area. IID commends the CEC for the IVSG
12 initiative and requests to continue supporting the
13 recommendations issued in that report.

14 Deference should be given to the
15 planning efforts of those utilities that show that
16 they are able to plan their own transmission needs
17 as well as others. Especially through
18 collaboration with local entities such as the
19 counties and regional planning groups such as the
20 IVSG and staff.

21 I appreciate your attention to IID
22 comments and I am open to any questions that you
23 might have.

24 PRESIDING MEMBER PFANNENSTIEL: Thank
25 you, Mr. Sandoval. Are there questions?

1 Commissioner Geesman.

2 ASSOCIATE MEMBER GEESMAN: Just a
3 comment. I certainly commend the district for the
4 work that you have done over the last five to ten
5 years in this area. Certainly your participation
6 in our earlier Integrated Energy Planning Report
7 process was a great assistance to us.

8 I think the example created by the
9 irrigation district and the county indicate what
10 can be done when there is a focused will to make
11 things happen. And I think as we go forward I
12 would ask you to make certain we do nothing that
13 will discourage you or create barriers to your
14 efforts. I would like to build upon them and
15 emulate them elsewhere around the state.

16 MR. SANDOVAL: We appreciate that. Just
17 as a comment, you know. We were surprised, you
18 know, to see a filing from the ISO that pretty
19 much portrays Imperial Valley as a transmission
20 constraint area, you know. Let me tell you, you
21 know, we have over 1,000 miles of transmission,
22 high voltage transmission and we are there. We
23 cover the four corners of the county.

24 So we appreciate, you know, you working
25 with us. Thank you.

1 ASSOCIATE MEMBER GEESMAN: Thank you
2 very much.

3 PRESIDING MEMBER PFANNENSTIEL: Thank
4 you.

5 Gary Munsterman from the US Air Force
6 Western Regional Environmental Office.

7 MR. MUNSTERMAN: Good afternoon. Thank
8 you, members of the Commission for the opportunity
9 to provide a few brief remarks. The Air Force, I
10 think probably most of you are familiar with our
11 primary mission. What you might not know is we
12 are also the largest federal agency consumer of
13 renewable resources.

14 But today I wish to speak on behalf of
15 the Air Force and other DOD service components on
16 the importance of the testing and training mission
17 within the state. These missions include the use
18 of special use airspace and military training
19 routes designated by the Federal Aviation
20 Administration. Many of these special use
21 airspace and military training routes,
22 particularly in rural areas, involve low altitude
23 flight and sensitive radar evaluation features,
24 which could be affected by new transmission lines.

25 The United States Air Force and other

1 service interests are in maintaining the
2 operability of these military training routes and
3 special use airspace as a critical component of
4 maintaining military readiness and deployment of
5 new weapon systems.

6 Military installations are engaged in
7 joint land use studies to address emerging
8 incompatible land uses. Terry Roberts with the
9 Office of Planning and Research mentioned their
10 involvement. They are sponsoring a study of the
11 R-2508 complex in Inyo/Kern in San Bernardino
12 County providing much of the testing mission for
13 both the Navy and the Air Force.

14 The principles and military's interests
15 have been recognized by Jim Bartridge and other
16 CEC staff as well as other state and federal
17 agency participating in the Section 368 process
18 that's currently under way. We seek, as well as
19 the other services, continued continuation of the
20 collaborative approach provided in that federal
21 process with the CEC and other stakeholders as a
22 part of the SB 1059 transmission corridor
23 designation process.

24 Any questions? Thank you.

25 PRESIDING MEMBER PFANNENSTIEL: Thank

1 you for your comments.

2 ASSOCIATE MEMBER GEESMAN: This is a
3 comment to Jim Bartridge. Are we working with the
4 other branches of the military as well in the
5 corridor planning process we have been conducting
6 with the federal agencies?

7 MR. BARTRIDGE: Absolutely.

8 ASSOCIATE MEMBER GEESMAN: I think it's
9 important to do that early on. Our experience in
10 some of the L&G work we did around the Port of
11 Long Beach, the Port of Los Angeles, indicated
12 that we would have been better off had we gotten
13 the military agencies involved at the very outset.

14 So I think there's some valuable
15 information they can bring to bear on some of
16 these questions that we should make ourselves
17 aware of early as opposed to later.

18 PRESIDING MEMBER PFANNENSTIEL: We have
19 comments from Patrick Christman, Western Regional
20 Director of the Marine Corps Installations West.
21 Speaking of which.

22 MR. CHRISTMAN: I think I can answer
23 your question, sir. We thank the Commission for
24 the opportunity to testify today. And
25 specifically, sir, you're absolutely right. We

1 have been privileged to be able to participate not
2 only in the interagency BL&G permitting working
3 group but also with Jim and his group. And in
4 fact we are very pleased with that process.

5 In our capacity looking throughout the
6 western states we have used that as an example
7 going back to brief the Secretary of Defense's
8 Office on how we would recommend that other states
9 approach the same kinds of issues with respect to
10 energy placement.

11 Most recently last week one of my
12 counterparts was back on the East Coast at the
13 invitation of the Southeast Regional
14 Sustainability Partnership, which is comprised of
15 a number of governors and their representatives on
16 the East Coast, North Carolina, South Carolina, so
17 on and so on. They had specifically heard one of
18 our briefings earlier and asked us to come back
19 and talk about Jim's energy corridor process.

20 And we're so pleased with how we
21 described it and how pleased we were with the
22 engagement with all of the various stakeholders
23 and interests that they may very well be sending a
24 team out here to study how you all have done this,
25 how Jim has done this with his excellent

1 leadership. So yes sir, we think it is very
2 valuable. The sooner we get in there the better.

3 And if I may elaborate just a little
4 bit, we're very pleased to be here. I work for
5 the Marine Corps for General Mike Leonard who is
6 the Commanding General of Marine Corps
7 Installations West. He is the commander of the
8 installations on the West Coast, both in Arizona
9 and California predominately.

10 My office responsibilities also takes in
11 California, Arizona, Nevada, Hawaii and the
12 Pacific Trust Territories so we have a huge
13 geographic area to deal with. Unfortunately, we
14 have a very small office to deal with that.

15 And I think the seriousness of this
16 issue is probably evidenced by the fact that we
17 have spent more staff time in our small office in
18 the last 18 to 24 months on this energy issue than
19 any single issue we have with respect to
20 environment or government affairs or anything like
21 that.

22 That's why I would echo what my
23 counterpart said about how important this is to
24 the military. If we can't train and we can't
25 conduct RDT&E here in California or the western

1 states there is not a whole lot of reason for us
2 to be here.

3 And I think the Governor noted that very
4 well in Terry's Office of Planning and Research in
5 their introduction to the California Advisory
6 Handbook for community and Military Planning,
7 which was one of the things we partnered with with
8 OPR and the Governor's Office.

9 The state of California, its cities and
10 counties and the Department of Defense have a long
11 and successful history of working together to
12 build a stronger California and a more secure
13 nation. California has more military
14 installations and operational areas than any other
15 state in the nation. The state's varied climate,
16 terrain and coastline provide unique training and
17 tester opportunities for the Army, Marine Corps,
18 Navy and Air Force.

19 In return benefits to the state are
20 significant. In 2005 California had over 278,000
21 persons directly employed by the military, active
22 duty, civilian, reserves and National Guard, and
23 military expenditures topping \$42 billion.
24 Obviously that is very significant in terms of the
25 infrastructure and our alliance as a partner with

1 the state of California.

2 However, comma, the introduction goes on
3 to say, as communities develop and expand in
4 response to growth and market demands, land use
5 decisions can push urban development closer to
6 military installations and operational areas.

7 The resulting land use conflicts,
8 referred to as encroachment, can have negative
9 impacts on the community and sustainment of
10 military activities and readiness. The threat to
11 military readiness activities is currently one of
12 the military's greatest concerns. The protection
13 of installations and operational areas is vital to
14 the state of California and to overall military
15 readiness.

16 As you know most of our military
17 members, including a great number of our Marines,
18 are now on their third deployments and preparing
19 for their fourth deployments. So our ability to
20 be able to train at various places, whether it's
21 the Chocolate Mountain range in the southeast
22 corner of California, Camp Pendleton or the Mount
23 Orford Training Center are very critical to us.

24 We had mentioned the involvement in
25 energy issues writ large, and I think it is

1 probably significant to note the partnership
2 efforts that we have made to try and resolve some
3 of our potential conflicts with the cities and the
4 counties and even the state agencies as we have
5 with Jim.

6 Whether it's siting wind turbines and
7 the red, yellow, green scheme that we've come up
8 with, whether it's dealing with the L&G issues and
9 looking at offshore resupply or L&G off-load
10 places. Or even establishing L&G terminals off of
11 the only remaining beach that we had at Camp
12 Pendleton, we have tried very hard to work with
13 the very agencies to resolve those issues.

14 We think energy corridors here on a
15 state basis is going to continue to be a very
16 critical effort. We in the Marine Corps have
17 undertaken to look at a 20 year planning horizon
18 and we would urge you to do the same thing.

19 Obviously given our five year planning
20 budget cycles and so on the further out that we
21 can look, the earlier notice that we get, the
22 better chance we have of working with the energy
23 industries and the city and the counties the
24 better we think we can come to agreement on, you
25 know, whatever the most effective way is to

1 support the people of California and our national
2 defense mission.

3 In the Marine Corps we are currently
4 rewriting our Marine Corps order, which is our
5 policy guidance on how to deal with encroachment
6 issues. We are coming up with what we call
7 encroachment plans for our local installations,
8 most of which are going to involve very
9 significant dealings with the cities and counties,
10 more so than we have in the past.

11 And a regional plan. And our regional
12 plan will probably encompass not only California
13 but other states as well. Mexico was mentioned
14 earlier. We have only, much to our amazement,
15 have to become involved in potential encroachments
16 caused by energy development on the south side of
17 the border and its potential impacts not only on
18 our airspace, low level MTRs but also some of our
19 round pounder training as well.

20 We thank the Commission for a chance to
21 address some remarks today. We will be submitting
22 some remarks later on. And if there are any
23 questions then I would be glad to answer them.

24 ASSOCIATE MEMBER GEESMAN: Thanks for
25 your help.

1 MR. CHRISTMAN: Thank you, sir.

2 PRESIDING MEMBER PFANNENSTIEL:

3 Mr. Christman.

4 MR. CHRISTMAN: Yes, ma'am.

5 PRESIDING MEMBER PFANNENSTIEL: In your
6 encroachment studies and plans do you ever think
7 about sharing land? We were talking earlier about
8 the possibility of having some corridor land also
9 used for public recreation, for example. But in
10 your case maybe take some of your land that is on
11 a military base but could perhaps be used for a
12 transmission corridor. Are you thinking in those
13 terms?

14 MR. CHRISTMAN: Yes, ma'am. In fact, I
15 don't think you will find a single Marine Corps
16 installation in the Western Region, I won't speak
17 for the other services, that does not already have
18 an energy corridor of some kind on the
19 installation. Whether it's a high pressure gas
20 line, it's a transmission line or something else.

21 Our challenge has been most recently,
22 and this is one of the reasons why we literally we
23 set up this office. We have found that we are
24 getting increasing pressures to increase that.
25 And as you can well imagine, we have an

1 installation now where the local government has
2 asked to build a new freeway on the base. The
3 railroad wants to build a new railroad. We have a
4 new pipeline to go to a proposed refinery. We
5 have new transmission lines. We have a new high
6 pressure -- So by virtue of having what people
7 perceive as big, empty space we have become a
8 magnet for lots of proposals.

9 And we try to work with them as much as
10 we possibly can as long as it does not interfere
11 with our training mission. Because our
12 requirement is to fight and win the nation's wars
13 and bring our folks back home alive in one piece.
14 And we're not willing to compromise that.

15 PRESIDING MEMBER PFANNENSTIEL: Thank
16 you very much.

17 MR. CHRISTMAN: Thank you.

18 ASSOCIATE MEMBER BYRON: Mr. Christman.

19 MR. CHRISTMAN: Yes, sir.

20 ASSOCIATE MEMBER BYRON: If I may, one
21 question. It may be obvious if you're flying low
22 level flights what the issue is with transmission.
23 Is there something else with regard to
24 transmission lines that causes a difficulty for
25 the Marine Corps?

1 MR. CHRISTMAN: Besides the low level
2 flight, and that's one of our primary concerns
3 like our sister services, because we're currently
4 doing the NEPA studies to look at bringing in the
5 new MV-22 Osprey, which is the next generation of
6 low level flight.

7 And we are asking the question now, in
8 light of the federal energy corridor planning in
9 the western region, can we continue to use the
10 same airspace that we used in the past? We look
11 at issues with the potential impacts on some of
12 our technology. And that's about all I'm -- So
13 there are other obvious implications there simply
14 besides the height of the transmission towers.

15 ASSOCIATE MEMBER BYRON: All right.

16 MR. CHRISTMAN: And we do try to
17 accommodate those. We have MTRs, which go down as
18 low as 200 feet. And our biggest concerns in the
19 past have been wind turbine blades as the
20 technology advances. Whether they'd go up into
21 the bottom of the MTR. In some occasions we're
22 able to fly a little higher, fly to the left or
23 right. But those are some of those concerns.

24 Thank you very much.

25 ASSOCIATE MEMBER BYRON: Thank you.

1 PRESIDING MEMBER PFANNENSTIEL: Thank
2 you.

3 Our next speaker is Jane Turnbull from
4 the League of Women Voters.

5 MS. TURNBULL: Good afternoon,
6 Commissioners and staff, I am Jane Turnbull of the
7 League of Women Voters of California and I am very
8 pleased to be here today. The League supported SB
9 1059 as it went through the Legislature and we
10 would like very much to be supportive of the
11 implementation process.

12 I have a number of points. The first
13 one is that we are concerned that the process be
14 truly credible. And if that is to be the case it
15 has to be an open process, a public process, and
16 the element of need has to be established.
17 Therefore it is important that the ISO be part of
18 the early stages of the whole effort.

19 Secondly, as I said, the process needs
20 to be presented in an open venue. We suggest that
21 the issue be raised as a problem-solving issue
22 rather than a de facto realization of an outcome.
23 As the need is established the alternatives have
24 to be presented and explored.

25 I happen to disagree with Les in terms

1 of whether a corridor designation is appropriate
2 for addressing reliability concerns. I think it
3 is just as important that the corridors be looked
4 at to ensure reliability as it is to bring in
5 renewable resources and to keep the price of power
6 as reasonable as possible.

7 But I do agree with Les in the sense
8 that I think one of the biggest problems that we
9 are going to be addressing are the parochial
10 interests of the local communities. NIMBY-ism is
11 a horrendous disease, not only in California but
12 across the country. We are dealing with a real
13 need in terms of transmission and we have got to
14 find a way for local interests both to be at the
15 table but not in a position to stalemate the
16 process.

17 There's been several references to
18 regional planning. The League supports regional
19 planning very, very strongly, only we don't see a
20 whole lot of opportunities for good regional
21 planning in California. There has been mention
22 today of ten programs being looked at through the
23 Council of Governments. If those are real that's
24 really quite an exciting step forward. But at the
25 moment I guess we're still a little bit of a

1 skeptic because we have not seen good regional
2 planning as a general pattern in California.

3 At the same time I want to emphasize
4 that local interests have to be at the table.
5 It's just that we don't want them to come in at
6 the very end when all the parties have agreed on a
7 good solution and then attempt to kill a process.

8 I'd also like to note in response to
9 Commissioner Pfannenstiel's concerns about trails
10 and pathways that we certainly support that sort
11 of dual use. And in particular we support the
12 importance of looking at habitat and wildlife
13 corridors. As the population pressures increase
14 throughout the state the concerns for allowing
15 wildlife to migrate from place to place are
16 getting greater. And certainly with global
17 climate change that is going to be even more of a
18 consideration.

19 Finally in response to Commissioner
20 Geesman's concern about CEQA and CEQA processing.
21 The League definitely supports CEQA in the context
22 of all that CEQA is intended to do. However, we
23 would have no problem with CEQA being broken up
24 into sequences that if the process could be made a
25 little more, you know, expedited without

1 sacrificing CEQA in any way we would support that.

2 Do you have any questions?

3 ASSOCIATE MEMBER GEESMAN: I've got a
4 couple. First on that CEQA question. I'd
5 encourage you to initiate a dialogue with some of
6 your fellow public interest organizations about
7 ways in which to best harness the purpose and
8 values of CEQA to a 21st century transmission
9 licensing process. Because I think that the way
10 we have been approaching it as a state frustrates
11 those values and doesn't result in a very clear
12 licensure process that I suspect will prove a
13 major barrier to achieving the state's renewable
14 energy goals.

15 Secondly, your mention of the
16 reliability projects. We've been presented with a
17 planning horizon this morning from 5 years to 20
18 years. And I suspect the reliability-oriented
19 projects would come in at the short end of that
20 time frame and some of the other projects further
21 out. Do you really see SB 1059 being used so
22 expansively as to pick up that full range of
23 transmission projects?

24 MS. TURNBULL: I think we have some
25 indication in terms of how population growth

1 patterns are evolving at the state level. And to
2 the extent that those seem to hold some
3 credibility, yes, I definitely think that it
4 should be included.

5 ASSOCIATE MEMBER GEESMAN: Thank you
6 very much.

7 PRESIDING MEMBER PFANNENSTIEL: Jane,
8 your comment about regional land use planning is
9 obviously something we talked about through the
10 IEPR process and outside of it. And yet here is
11 another example of a need for regional thinking
12 just a little different than I think we had raised
13 it in last year's IEPR update.

14 It seems like the League of Women Voters
15 could be a really helpful ally with us to work on
16 regional thinking and then planning about energy
17 use, both in terms of land use implications and
18 infrastructure. And so --

19 I know that you're working that but I
20 think in terms of as we move forward in the 1059
21 as well as the other land use aspects of the IEPR
22 we'll be looking to you and to your colleagues in
23 the League to help us think about how we might
24 promote more regional thinking.

25 MS. TURNBULL: We've really discussed

1 this at some length and this comes from not just
2 the energy corner of the League but from a lot of
3 corners of the League. And one of our concerns is
4 that we really don't want to see a new level of
5 government established so how can the existing
6 bodies that are already out there be utilized more
7 effectively.

8 PRESIDING MEMBER PFANNENSTIEL: Thank
9 you.

10 Our next card is from Karen Mills of the
11 California Farm Bureau.

12 MS. MILLS: Thank you. I really had
13 questions actually, I hadn't planned to make
14 comments, after the presentation. Our interests
15 and our concerns about transmission planning is
16 colored by the experience of our members who own
17 land with miles of transmission easements on them.

18 Comments made by Mr. Leeper, Mr. Guliassi
19 and some of the other discussion today made me
20 wonder if the model of the private landowners
21 where the transmission lines would go on would
22 continue to own the land and the utilities would
23 purchase easements on the property. If that model
24 is being considered changing?

25 Because there have been comments

1 regarding banking of rights in the properties and
2 also the discussion about having multiple uses
3 with respect to the transmission lines and the
4 land underlying it makes one think that that model
5 is changing.

6 That the utilities might actually be
7 considering purchasing the land outright, and it
8 would, of course, color the types of concerns that
9 we would have then. I don't know if that's
10 changing.

11 PRESIDING MEMBER PFANNENSTIEL: Les, do
12 you want to address that?

13 MR. GULIASI: Les Guliasi with PG&E.
14 Karen, actually thanks for raising that issue. in
15 my comments today I didn't want to imply that
16 there was anything in the works to change the
17 existing arrangements. And I can tell you that in
18 my discussions back at the office about this issue
19 no one has raised that issue with respect to
20 changing the compact or the understanding or the
21 agreements about land use rights of way.

22 And frankly, anything that I said with
23 respect to utility land acquisition or utility
24 purchase of land for potential transmission use
25 also didn't imply any actions, for example, that

1 might lead toward purchasing or trying to purchase
2 the land that we now use through some easement or
3 right of way.

4 MS. MILLS: No, I really wasn't
5 questioning about whether existing arrangements
6 would be changed but really I was talking about
7 prospective arrangements for transmission corridor
8 acquisition. Whether there was movement,
9 consideration of movement away from just acquiring
10 an easement and in fact acquiring the entire
11 bundle of rights where the transmission rights
12 cross.

13 I know in some cases Southern California
14 Edison actually owns the underlying property but
15 that doesn't, that's not the typical model. And I
16 just wondered if that was, there was consideration
17 about that changing.

18 ASSOCIATE MEMBER GEESMAN: Certainly in
19 terms of the Energy Commission's past exploration
20 of the issue of a longer period of ratebasing of
21 such rights there's not be any, any intent to
22 delve into whether that be an easement or a fee-
23 simple title. There has not been any thought
24 given to how the utility would hold title to
25 whatever rights it needed in order to provide

1 transmission services.

2 MS. MILLS: So I guess my thought would
3 be just in terms of the discussion that there was
4 about multiple use underlying the transmission
5 easements. Keep in mind the current model where
6 in so many cases it is private property owner
7 that is having to address that. Obviously there's
8 some inconsistencies there.

9 ASSOCIATE MEMBER GEESMAN: But I think
10 if you look across the state there are a mix of
11 ways in which utilities hold title to those
12 interests. And in some instances it is a fee-
13 simple interest where the utility owns the
14 property itself. In other areas, and the one that
15 I'm most familiar with is farmland. It is, almost
16 always, an easement.

17 MS. MILLS: Right. And of course that's
18 my concern.

19 ASSOCIATE MEMBER GEESMAN: I figured as
20 much.

21 MS. MILLS: I think that answers my
22 question, unless Edison is planning on changing
23 the way they're doing things and we just don't
24 know.

25 MR. LEEPER: No, no we don't. I did not

1 mean to imply we're planning on changing anything
2 that we currently have under easement or, you
3 know, making a fee-simple purchase of all future
4 right of ways. I think that's an economic choice
5 and a viability. I mean, we look at what options
6 are available and try to pick the most economical.

7 MS. MILLS: Thank you.

8 PRESIDING MEMBER PFANNENSTIEL: Karen,
9 thank you for raising that because I do think it
10 highlights the fact that what we're talking about
11 for corridors is not a simple or single type of
12 land or right acquisition. So thanks.

13 MS. MILLS: Right, thank you.

14 PRESIDING MEMBER PFANNENSTIEL: Those
15 are all of the blue cards I have in my hand. Are
16 there, are there people on the phone who wish to
17 comment? And I see Chris coming back up to
18 moderate that.

19 MR. TOOKER: If we have any at this
20 point, yes. And I guess we don't.

21 MR. FRICK: Hello?

22 PRESIDING MEMBER PFANNENSTIEL: Yes.

23 MR. TOOKER: Hello. Yes, would you like
24 to make a comment?

25 MR. FRICK: Yes.

1 MR. TOOKER: Would you identify
2 yourself, please.

3 MR. FRICK: My name is Gene Frick, I
4 live in Riverside. I have followed most of the
5 proceeding today and I welcome the opportunity to
6 participate in this.

7 The LEAPS project in Southern California
8 was mentioned briefly by the Forest Service and I
9 would, I have been involved with that for 11 years
10 now so I know a little bit about what goes on with
11 these kinds of things. I was also peripherally
12 involved with the SDG&E Valley Rainbow project.

13 But to begin I'd like to put up a
14 defense for NIMBYs. I think the country started
15 with a bunch of NIMBYs dumping some tea into
16 Boston Harbor so I believe it's a well-founded
17 American institution. And as much as I appreciate
18 the League of Women Voters and the work that they
19 do I think that NIMBY-ism would be better
20 characterized as a symptom than as a disease.

21 As an example of that, associated with
22 the LEAPS project I have had to follow I can't
23 tell you how many agencies but it begins with
24 WECC, the California ISO, Elsinore Valley
25 Municipal Water District and of course the CEC.

1 Which got involved with the DOE energy
2 corridors and there was a proposal in that
3 associated with the LEAPS project. SDG&E is
4 currently doing a process, a CPUC process with the
5 Sunrise Power Link and LEAPS is alternative in
6 that. So there are many agencies and a lot of
7 proceedings and a lot of opportunities to
8 participate if you know about them. But it is
9 very difficult to keep yourself on every service
10 list and to get every notice associated with a
11 proposed transmission project.

12 And so one of the things I would suggest
13 that is part of the CEC's dealing with this is
14 that whenever there is a new proposal for
15 transmission that it go into a general purpose
16 service list. So that for instance if I subscribe
17 to that list every time a LEAPS proponent put a
18 proposal or any other proceeding into process they
19 at the same time would notify the CEC and I would
20 know that that's happening.

21 So in terms of what you talked about in
22 coordination and keeping people involved, I think
23 we could do better with all of the processes that
24 are involved in any transmission proposal to have
25 a central service list so that people know what's

1 going on.

2 In terms of designating a corridor. And
3 I made comments when the CEC opened up the DOE
4 proceeding last year and took comments in Ontario,
5 I participated in that. And I raised the question
6 about private property owners and I think there is
7 a private property issue involved here.

8 And that is, if a corridor is designated
9 and there is -- I understand there is some
10 difficulty in terms of how that designation will
11 be made, whether it be a presumptive, preferred
12 alternative or just exactly what it would be, it
13 is -- That process is going to have impact on land
14 owners.

15 Some properties are more sensitive to
16 view sheds and what transmission lines can do to
17 view sheds and some of that impact can be quite
18 large. There are people who buy property, for
19 instance, where the property right now only looks
20 at a wilderness area, say in the national forest.

21 And I believe that that was part of what
22 was driving the amount of money that was put in
23 the Valley Rainbow project by activists was their
24 perceived impact that that project would have on
25 their views. And what I want to know is, how will

1 that impact be handled? Somebody for instance who
2 has a property valued at X number of dollars, when
3 they go to sell that property if a buyer knows
4 that, you know, there's a transmission line
5 corridor the property may only sell at say, .8X.

6 Well there's compensation to people who
7 have view shed and for who view sheds are
8 important in terms of the price of their property
9 or the value of their property, will there be
10 compensation?

11 The other question I have is how will
12 people who buy property after a corridor
13 designation is made know that the corridor
14 designation is there? In the LEAPS project we
15 already have a threatened lawsuit or one that is
16 in process, I am not quite sure, over that very
17 issue.

18 Real estate people, I think,
19 conscientious real estate people if they know that
20 the corridor designation has happened will inform
21 prospective buyers. But that doesn't always
22 happen. So will there be some sort of mechanism
23 for either on title or a notice the real estate
24 associations or whatever it might be so that
25 potential buyers know that they're buying into a

1 corridor designation?

2 And then the other thing is that the
3 question came up about keeping these designations
4 fresh. And I think that is very important,
5 particularly since a need may change as a variety
6 of projects proceed. In other words, somebody may
7 have a -- There may be a corridor set aside that
8 was set aside on the basis of a need and then
9 there may be another transmission project that was
10 actually built that would change that designation.

11 So I really would encourage keeping up
12 the need aspect. I don't know if the need
13 actually went away whether or not the corridor
14 designation could change.

15 And the other thing is long-term I would
16 encourage you to consider things, particularly if
17 you're looking at 20 years, that you look at the
18 effect that things like capping trade on carbon
19 emissions, if you're going to have them. Whether
20 or not we're going to eventually have, for
21 instance, rooftop solar and those kinds of things.
22 Which supposedly is going to either help fund
23 transmission lines that will be basically carrying
24 renewable power. And rooftop solar, of course,
25 would potentially, if it was really popular,

1 relieve congestion.

2 So what I would suggest to handle that,
3 that you acknowledge that not all transmission is
4 equal. And I'm not quite sure how you would do
5 that but I think that it should be done.

6 And that is the extent of my comments.

7 MR. TOOKER: Thank you. Let me respond
8 to your comments. I believe all of the issues
9 that you raise, the concerns you raise, which I
10 think are good ones, were discussed during the
11 legislative process in our dialogues with the
12 League of Cities and with CSAC and with other
13 property owner interests.

14 The issue of private property impacts
15 was raised, was looked at, and the conclusion of
16 the League and others was that because we are not
17 providing any entitlements as a result of the
18 corridor designation process that there would not
19 be the grounds for a taking or private property
20 impacts.

21 However, there also is a requirement in
22 the statute for an extensive public notification
23 process notifying all affected property owners
24 both within and adjacent to the corridor so we're
25 expecting and would be initiating a very extensive

1 outreach process and mailing process to those
2 property owners as well as a general notification
3 which is common to our licensing practice in those
4 areas through which the corridor would proceed.

5 In terms of notification of designation
6 there also is a requirement in the statute that
7 once the corridor is designated that those
8 property owners also be notified and that the
9 local cities and counties be notified. And there
10 is also a provision for refreshing the corridor
11 designations over a period of time to update them
12 for changes in circumstances.

13 I think the things you have raised are
14 important considerations and they have been
15 discussed and all of them, I think, included as
16 requirements in the process.

17 MR. FRICK: Thank you.

18 MR. TOOKER: Is there anyone else on the
19 phone who would like to make comments or has
20 questions? If not I would just say that I believe
21 San Diego County may have been listening earlier
22 and perhaps Riverside. They are interested and
23 appear to be very supportive of working with us in
24 the planning process to look at corridor
25 designation issues.

1 PRESIDING MEMBER PFANNENSTIEL: So I
2 would expect we'd get written comments then from
3 them.

4 MR. TOOKER: We may well. I'm going to
5 be following up with them.

6 Also I'd had a discussion with a staff
7 member from the South Coast Air Quality Management
8 District for their own strategic purposes who is
9 very interested in promoting such a concept in
10 terms of accessing renewables to provide
11 electricity to urban areas as an alternative to
12 necessarily licensing facilities in those urban
13 cores and the challenges that presents.

14 Which I thought was a refreshing
15 perspective to bring to the table in recognizing
16 the overall benefits of such a process. And I
17 expect that Mozen Azimi, the person I talked with,
18 will be filing written comments.

19 ASSOCIATE MEMBER GEESMAN: Chris, in the
20 legislative process last year we dealt with an
21 organization called the Coalition of Rural
22 Counties.

23 MR. TOOKER: We dealt with the Resource
24 Landowners Coalition.

25 ASSOCIATE MEMBER GEESMAN: Okay.

1 MR. TOOKER: We also dealt with RCRC,
2 which is a coalition of counties, of rural
3 counties.

4 ASSOCIATE MEMBER GEESMAN: We should
5 make an effort to reach out to the various
6 entities that were involved in the legislative
7 consideration of SB 1059.

8 MR. TOOKER: We have done that. I
9 expected Jennifer West here today representing the
10 Resource Landowners Coalition that includes
11 companies like the Irvine Company, Tejon Ranch and
12 other very large landowners, even including MWD,
13 that do have concerns about infrastructure
14 placement, planning and placement. And we have
15 talked with the League and with CSAC.

16 ASSOCIATE MEMBER GEESMAN: Good enough.

17 MR. TOOKER: And others. And we
18 provided notice and I actually discussed the
19 proposal with the Building Industry Association,
20 the California Forestry Association and the
21 Cattlemen's Association. So they had information
22 about the process and hopefully will get involved
23 as we proceed.

24 ASSOCIATE MEMBER GEESMAN: Excellent.

25 PRESIDING MEMBER PFANNENSTIEL: Because

1 with the exception of the cities who were on the
2 phone. Did you say Riverside was on the phone,
3 the city?

4 MR. TOOKER: No, I had said that --

5 PRESIDING MEMBER PFANNENSTIEL: County?

6 MR. TOOKER: -- there was some interest
7 expressed and questions asked of us. Calls made
8 to us from San Bernardino and Riverside.

9 PRESIDING MEMBER PFANNENSTIEL: Counties
10 both.

11 MR. TOOKER: Yes. San Diego I thought
12 was going to be on the phone, they were the ones
13 that had definitely committed.

14 PRESIDING MEMBER PFANNENSTIEL: It's
15 simply that in looking at the list of participants
16 here today we really don't have anybody from the
17 local government side. I'm sorry, other than
18 Imperial County, that's right. So that would be
19 sort of a next step, I think, to solicit comments
20 from the local government.

21 MR. TOOKER: Yes. And we had worked
22 with the League and they had provided notice to
23 all of their members, as well as CSAC had.

24 I had followed up specifically with
25 counties, primarily in Southern California, who

1 have been involved in addressing these issues. I
2 was glad to see that Lassen is interested and we
3 will follow up with them. I found less interest
4 on the part of the cities and on the part of the
5 counties who tend to deal more with regional
6 issues and with rural lands.

7 But yes, I'm sure that as we go forward
8 and start laying out a process and some specifics
9 we'll get some feedback from them as well. The
10 League and CSAC have both been very helpful in
11 helping us communicate with their members.

12 Apparently Riverside County has already
13 filed written comments.

14 PRESIDING MEMBER PFANNENSTIEL: Any
15 other comments, questions, business to come before
16 us? If not we'll be adjourned. Thank you.

17 (Whereupon, at 2:47 p.m., the Committee
18 workshop was adjourned.)

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CERTIFICATE OF REPORTER

I, JOHN COTA, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Committee Workshop; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said workshop, nor in any way interested in outcome of said workshop.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of March, 2007.

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